



City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

07/17/2018

Deloitte & Touche LLP
500 West 2nd Street
Ste #1600
Austin, Texas 78701
Email: tguidry@deloitte.com

Dear Ms. Guidry:

The Austin City Council approved the execution of a contract with your company for Comprehensive Annual Financial Report (CAFR), Single Audit, and Other Services in accordance with the referenced solicitation.

Responsible Department:	FSD
Department Contact Person:	Diana Thomas
Department Contact Email Address:	Diana.thomas@austintexas.gov
Department Contact Telephone:	(512) 974-1166
Project Name:	Comprehensive Annual Financial Report (CAFR), Single Audit, and Other Services
Contractor Name:	Deloitte & Touche LLP
Contract Number:	7400-PA180000028
Contract Period:	60 Month Term: 07/01/2018-06/30/2023
Dollar Amount	\$6,308,000
Extension Options:	N/A
Requisition Number:	17112800117
Solicitation Type & Number:	RFQS 7400- CRR0306
Agenda Item Number:	Item #27
Council Approval Date:	May 24, 2018

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Claudia Rodriguez
Procurement Specialist IV
City of Austin
Purchasing Office

cc: Diana Thomas

**CONTRACT BETWEEN THE CITY OF AUSTIN
AND
DELOITTE & TOUCHE LLP
For
COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR),
SINGLE AUDIT, AND OTHER SERVICES
CONTRACT NUMBER 7400-PA180000028**

This Contract is dated to be effective as of the day it is signed by an authorized representative of the City of Austin ("Effective Date"), and is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Deloitte & Touche LLP ("Contractor" or "Auditors"), having offices at 500 West 2nd Street, Suite 1600, Austin, Texas 78701.

SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES

- 1.1 Engagement of the Contractor.** The Contractor is engaged to provide the services set forth in Section 2, Scope of Work.
- 1.2 Responsibilities of the Contractor.** The services to be provided by Auditors are described in Section 2, Scope of Work, and will be provided upon the execution by the parties hereto of an annual engagement letter with respect to the specific services to be provided thereunder (in each case, the "Applicable Engagement Letter"). The Applicable Engagement Letter shall be substantially in the form attached hereto as Exhibits G and H, as applicable. The services will be governed by the terms of the Applicable Engagement Letter. The Contractor's audit services will be performed in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants ("AICPA") ("generally accepted auditing standards") and the standards applicable to financial statement audits contained in the Government Auditing Standards issued by the Comptroller General of the United States ("generally accepted government auditing standards"). Exhibit C contains a description of an auditor's responsibilities and scope of an audit under generally accepted auditing standards, generally accepted government auditing standards, OMB Uniform Guidance and the State of Texas Uniform Grants Management Standards ("UGMS"). The form of engagement letter for audit services is attached hereto as Exhibit G. The Contractor's agreed-upon procedures services will be conducted in accordance with attestation standards as set forth by the AICPA ("attestation standards"). The form of engagement letter for agreed-upon procedures services is set forth in Exhibit H.
- 1.3 Responsibilities of the City.** The Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress and task reports. Exhibit D contains a description of City management's responsibilities.
- 1.4 Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Tracey Cooley; Phone: 512-226-4440; Email: tguidry@deloitte.com. The City's Contract Manager for the engagement shall be Diana Thomas, Controller; Phone: 512-974-1166; Email: diana.thomas@austintexas.gov.

SECTION 2. SCOPE OF WORK

- 2.1 Contractor's Obligations.** The Contract is an agreement for the provision of professional services as described herein and in the Applicable Engagement Letter in material accordance with the terms, covenants, and conditions of the Contract and all Federal, State, and local laws, governmental rules, and governmental regulations to the extent applicable to the Contractor's provision of the services pursuant hereto. The Contractor will appoint a specific individual who will perform client service assessments and receive comments from the City about the Contractor's performance. The

Auditors' performance within this scope of work is divided into two categories of services as described below. In consideration of City's payment, Auditors shall provide all labor, materials, and supervision necessary to perform the two categories of services.

- 2.2 Tasks.** In order to accomplish the work described herein, the Contractor shall perform each of the following tasks:

2.2.1 Basic Services

2.2.1.1 Audit of Comprehensive Annual Financial Report (CAFR)

Commencing with fiscal year ending September 30, 2018, Auditors will conduct five (5) consecutive financial audits of the City's basic financial statements for the sixty (60) month term of the contract. These services will be performed in accordance with generally accepted auditing standards and generally accepted government auditing standards. Exhibit C contains a description of an audit under Generally Accepted Auditing Standards, Generally Accepted Government Auditing Standards and Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance") and State of Texas Uniform Grants Management Standards ("UGMS").

2.2.1.1.1 The City desires the Auditors to express an opinion on whether each opinion unit of its Basic Financial Statement ("BFS") and the accompanying supplementary information, in relation to the BFS as a whole, are presented fairly, in all material respects, in accordance with Accounting Principles Generally Accepted in the United States of America ("GAAP"), and perform specified procedures on the required supplementary information. The Auditors are not required to audit the combining and individual fund financial statements and supporting schedules that accompany the BFS. However, the Auditors are to express an opinion on whether the supplementary information that accompanies the basic financial statements, including the schedule of federal and state awards, are fairly stated, in all material respects, in relation to the BFS taken as a whole. The Auditors are not required to audit the Management's Discussion and Analysis (MD&A) or required supplementary information. The Auditors are expected, however, to apply certain limited procedures consisting principally of inquiries of management, regarding the methods of presentation of such required supplementary information. The Auditors are not required to audit the statistical section of the report.

2.2.1.1.2 The Auditors will design the audit to be able to issue the audit report by February 28 of each year of the Contract period. The Auditors' ability to express an opinion or to issue any report and the wording thereof will, of course, be dependent on the facts and circumstances as of the date of the Auditors' report. If, for any reason, the Auditors are unable to complete the audit or are unable to form or have not formed an opinion, the Auditors may decline to express an opinion or decline to issue a report as a result of this engagement. If the Auditors are unable to complete the audit or if the report to be issued by the Auditors as a result of this engagement requires modification, the reasons therefor will be discussed with the City management.

2.2.1.1.3 In connection with each audit performed on the City's BFS, the Auditors shall read the City's draft CAFR presentation and provide written comments, as deemed appropriate by the Auditors, to assist the City in meeting its requirements under the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

2.2.1.1.4 The Auditors shall communicate to the City of Austin's Audit and Finance Committee matters required to be communicated, in accordance with generally accepted auditing standards and generally accepted government auditing standards as set forth in Exhibit F.

2.2.1.1.5 The Auditors shall prepare a "management letter" if there are significant deficiencies and material weaknesses to report to the City's Audit and Finance Committee. The letter shall be provided to the City Manager and the members of the City's Audit and Finance Committee and shall describe any significant deficiencies and material weaknesses identified during the audit as required by generally accepted auditing standards and generally accepted government auditing standards.

The letter will contain the responses from the responsible City Department Heads. Prior to issuance, the Auditors shall discuss the proposed draft letter in its entirety with the Controller. Subsequent to issuance, the Auditors shall discuss the final letter with the Mayor and City Council if requested to do so.

In addition to the reports discussed within the Request for Qualifications (RFQS) that are currently required by State and Federal grantors and by regulatory bodies such as the AICPA, Government Accounting Standards Board ("GASB"), GFOA, and others, the Auditors shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

2.2.1.1.6 The Auditors shall discuss with the City on the City's plans for implementing new pronouncements issued by the GASB.

2.2.1.1.7 Attend periodic conferences with City officials and regulatory officials.

2.2.1.2 Single Audits of Federal and State Financial Assistance Programs

In conjunction with each audit of the City's BFS, the Auditors shall perform financial and compliance audits of Federal and State Financial Awards to report on the City's compliance with requirements applicable to each major program and on internal control over compliance in accordance with the OMB Uniform Guidance and any amendments or supplements thereto. The Auditors shall also perform auditing procedures on the City's state programs in accordance with the provisions of the State of Texas Uniform Grant Management Standards and the State of Texas Single Audit Circular. Successor amendments will also apply.

The City prepares the schedules of financial awards.

The single audit reports will include the reports required by OMB Uniform Guidance, generally accepted government auditing standards and the State of Texas Uniform Grants Management Standards ("UGMS"):

In addition, the Auditors shall perform the following:

2.2.1.2.1 Provide a draft of the schedule of findings and questioned costs for comment by the Controller and responsible departments.

2.2.1.2.2 The Auditors will design the audit to be able to issue the single audit reports by April 30 of each year of the contract period. The Auditors' ability to express an opinion or issue any report and the wording thereof will, of course, be dependent on the facts and circumstances at the date of the Auditors' report. If, for any reason, the Auditors are unable to complete the audit or are unable to form or have not formed an opinion, the Auditors may decline to express an opinion or decline to issue a report as a result of this engagement. If the Auditors are unable to complete the audit or if the report to be issued by the Auditors as a result of this engagement requires modification, the reasons therefor will be discussed with the City management.

2.2.1.3 Bond Issuances

2.2.1.3.1 Major capital improvements and additions to the City's utility systems are financed with revenue bonds or commercial paper that is periodically refunded by revenue bonds. A general obligation bond issuance usually occurs once a year. In addition, the City is involved in and reviews official statements for contract revenue bond sales of Municipal Utility Districts.

2.2.1.3.2 There may be a requirement for certain procedures related to the interim utility financial statements preceding each revenue bond sales as well as limited procedures related to official statements issued for any type of bonds. The scope of the procedures will be determined by the underwriting agreement and the Bond Ordinance adopted by the City Council. A times coverage certificate may be required and in the case of a refunding, a comfort letter may be requested.

2.2.1.4 PFC

In conjunction with the CAFR financial audit, the Auditor shall perform audits of the compliance requirements applicable to the passenger facility charge (PFC) program and internal control over compliance in accordance with requirements issued by the Federal Aviation Administration as described in the *Passenger Facility Charge Audit Guide for Public Agencies*. The due date is nine months after year end, or June 30. The Auditors will design the audit to be able to issue the PFC reports by April 30 of each year of the contract period. The Auditor's ability to express an opinion or to issue any report, and the wording thereof, will, of course, be dependent on the facts and circumstances as of the date of the Auditor's report. If, for any reason, the Auditor are unable to complete the audit or are unable to form or have not formed an opinion, the Auditor may decline to express an opinion or decline to issue a report as a result of this engagement. If the Auditor is unable to complete the audit or if the report to be issued by the Auditor as a result of this engagement requires modification, the reasons therefor will be discussed with City management.

2.2.1.5 TCEQ

The Auditors shall also perform agreed-upon procedures services related to the Texas Commission for Environmental Quality (TCEQ) or its successors to assist the

City in its evaluation of its compliance with the local financial test requirements under Texas Administrative Code Title 30 Chapter 37 Rule 37.271. The specific procedures to be performed will be agreed upon by the Auditors, the City and TCEQ. The due date is one hundred eighty (180) days after year end, or March 29.

2.2.2 Special Services

The Auditors shall not be obligated to perform any other Special Services, nor shall the City be obligated to pay for any other Special Services unless such Special Services are requested in a written notice signed by the City Manager or designee and City Council has allocated sufficient funds to pay for these services. Cost for Special Services will be negotiated at the time of the request, however, hourly rates shall be in accordance with the fixed hourly rates offered in the proposal, and will be included in the engagement letter.

2.2.3 Coordinate Performance

The Auditors' principal contact with the City will be the Contract Manager, Diana Thomas (Controller), or a designated representative who will coordinate the assistance to be provided by the City to the Auditors.

2.2.4 Reports

Auditors shall submit all status reports and progress updates required by the Controller. The Auditors will also communicate those items identified in Exhibit F.

2.2.5 Schedule of Performance - General

2.2.5.1 Time of Performance

Auditors' services shall commence upon the date specified in a written Notice to Proceed from the Controller, shall be performed thereafter, and are estimated to be complete within the following specified times unless an extension of time is agreed to by the Controller in writing as specified below.

2.2.5.2 Timelines and Critical Dates

The planned timeline for subtasks and deliverables are given in the table below. Dates are approximately the same for each Fiscal Year that the Auditors provide Basic Services described in Section 2.2.1 and assumes that the City's personnel provide the underlying reporting documents based on an agreed upon timetable that allows reasonable time for the Auditors to complete their work.

Date or Timeframe	Activity or Deadline
June 1	Contract start date
June-July	Preliminary planning mtgs. / audit plan development
July-Sept	Auditors begin interim work.
Late Aug, early Sept	City provides GAAP financials for major funds for nine months ended June 30
September	City prepares for year-end close / Auditors wrap up interim work
September 30	City fiscal year end Auditor – all interim audit work completed and auditors have withdrawn from the field

Third week of October	City year-end Close
October 28 – Dec. 15	Staff prepares trial balances, schedules, and statements
November	Auditors begin year end work including Single Audit work and confirmations
January	City delivers key portions of the CAFR to Auditors.
early February	CAFR draft delivered to auditors for review Auditors provide draft management letter
February 28	CAFR completed (posted to the web) and released to the printer
Late March	Auditors issue management letter, if necessary
early to mid-March	TCEQ report completed
March/April	Presentation to the Audit and Finance Committee, including management letter/presentation.
Early to Mid-April	Auditors provide draft single audit and PFC reports
Late April, early May	Auditors issue single audit and PFC reports

2.2.5.3 Time Extensions

This time line is subject to, among other things, the City's meeting its closing timeline as outlined in the request for proposal and no significant delays, such as those identified in Exhibit E, are encountered in responding to the Auditors' requests for information, and no significant deficiencies or material weaknesses in the design or operating effectiveness of the City's internal control over financial reporting or internal control over federal and state programs are identified during the audit that result in the expansion of the Auditors' audit procedures. If the City does not meet the timeline outlined above, the Contractor and the City will work on a revised timeline that is agreeable to both parties.

2.2.6 Record Retention

The Auditors shall retain for seven years certain records relevant to their audits of the Basic Financial Statements (BFS) of the City and any designated associated entities. Records to be retained include the Auditor's work papers and related reports. Records related to the Auditors' agreed-upon procedures services will also be retained for seven (7) years.

2.2.6.1 The Auditor shall comply in all material respect with City Code Chapter 2-11 (Records Management) attached hereto as Exhibit I, to the extent that such chapter is applicable to Auditor in performance of the Services and does not conflict with the terms of this Contract or Auditor's own policies. For purposes of this section, a record means all books, accounts, reports, files, and other data or information received from, or on behalf of, the City by the Contractor in fulfillment of the Contract whether in digital or physical format.

2.2.6.2 Upon completion, termination, or expiration of this Contract, or at such other times as the City may direct, the Contractor shall, if feasible, return to the City, or destroy, all Records [at no cost]. Notwithstanding anything herein to the contrary, Contractor shall have the right to retain copies of such Records or other information received in connection with this engagement and any summaries, analyses, notes, or extracts prepared by

Contractor which are based on or contain portions of such Records or other information received to the extent necessary to evidence the Services, provided that Contractor retains such copies in accordance with its confidentiality obligations hereunder.

2.2.7 Changes in Standards during Contract Period: It is to be expected that the GASB or other standard setter will issue new statements or standards that must be implemented by the City during the contract period and extension options. If any new statement or new auditing standard, either individually or in combination with other such new requirements, has a material impact (defined as greater than 15% increase in the auditors' annual hours) on the Contractor, the Contractor will notify the City's Contract Manager and they will work to resolve the issue in a manner agreeable to both parties. This 15% cap does not include additional hours that will be required to audit the implementation of Government Accounting Standards Board Statement No. 87 Leases (GASB 87). Additional hours will be discussed with the Controller prior to the start of any work related to GASB 87.

2.2.8 Access to Working Papers: The Auditor agrees to provide controlled access to the Office of the City Auditor ("OCA") of the Auditor's work papers prepared in conjunction with an area under audit in accordance with government auditing standards issued by the Comptroller General of the United States of America. Auditor shall make its working papers available for this purpose for at least three years after this Contract terminates. Access to working papers by regulators will be granted in accordance with the terms of the engagement letter included in Exhibit G.

SECTION 3. COMPENSATION

3.1 Contract Amount. The Contractor will be compensated for tasks performed based on the rate schedule in Exhibit A for an amount not to exceed \$6,308,000 for the sixty (60) month term, to the extent that no termination has occurred. These fees are subject to Exhibit E covering the timing and fees. The City's management will work with Contractor and will consider seeking appropriate amendments to compensate Contractor for additional work required due to the factors such as those described in Exhibit E.

3.2 Economic Price Adjustment.

Prices shown in the contract shall remain firm for the first twenty-four (24) months ("the initial Contract period") of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor subject to the following considerations:

Consumer Price Index. Contractor shall submit as part of the initial proposal, the version of the Consumer Price Index (the "Index") current as of the date of the Contractor's proposal;

3.2.1 Requests for price increase must be made in writing and submitted to the appropriate buyer in the City's Purchasing Office. The letter must be signed by a person with the authority to bind the Contractor contractually, shall reference the contract number, and shall include the following documentation:

- (1) an itemized, revised price quote for the basic services described in Section 2.2.1 and a list of hourly rates by level of personnel for special services described in Section 2.2.2 of hourly rates by level of personnel with the effective date of the proposed increase; and
- (2) a copy of the current Index, with the effective date of the index clearly shown.

3.2.2 Proposed price increases must be solely for the purpose of accommodating increases in the Contractor's costs for the services provided. Prices for services unaffected by verifiable cost trends shall not be subject to change.

- 3.2.3 Requests for price increases shall be submitted for approval to the City's Purchasing Office not less than ninety (90) days prior to each anniversary date of the Contract. The City will have thirty (30) calendar days to review and approve/disapprove the requested increase.
- 3.2.4 The proposed percentage change between the current contract price and the requested price shall not exceed the percentage change between the Index in effect at the beginning of the current audit period and the one in effect at the time the price increase is requested. In no case shall the requested price increase exceed five percent (5%) for any single line item, and in no event, shall the total amount of the contract be automatically increased as a result of the increase in any one or more line items made pursuant to this provision.
- 3.2.5 Proposed price decreases may be offered to the City at any time, and become effective upon acceptance unless a different effective date is specified by the contractor. Price decrease offers may also be subject to negotiation if it appears that the decrease offered is less than that which would be justified by the relationship of the current Index to the Index in effect at the beginning of the current audit period.
- 3.2.6 Price decreases based on Index changes and/or other relevant factors may be requested by the City at any time. Such requests shall be accompanied by a complete statement of the City's justification for the request. The Contractor shall have thirty calendar (30) days to respond to the City's request. Following receipt of the contractor's agreement with the requested decrease, the City may implement the decrease at any time. Should the Contractor not agree with the requested decrease, the City may either maintain the prices currently in effect, negotiate with the Contractor, or terminate the contract.
- 3.2.7 Since the perceived need for price increases may be due in whole or in part to factors other than index changes, the City will accept fully-documented increase requests that include complete descriptions and analyses of other factors which, in the Contractor's opinion, justify price increases for one or more line items in the contract. If index changes are responsible in part for the requested change, those changes shall be documented as previously described.

3.3 Invoices.

- 3.3.1 The Contractor shall submit separate invoices in duplicate as the services progress. The City will accept and process properly documented invoices, as described in 3.3.2, for up to 90% of the fees described in Section 3.1 prior to the conclusion of the audit. Following the conclusion of the audit, the City will accept and process invoices for the final 10% of the fees.
- 3.3.2 Properly documented Invoices shall contain a non-duplicated invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department. Invoices shall be itemized and expenses, if any, shall be listed separately. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be mailed to the below address:

	City of Austin
Department	Controller's Office
Attn:	Diana Thomas
Address:	P. O. Box 2920
City, State, Zip Code	Austin, Texas 78767
E-mail:	diana.thomas@austintexas.gov or designee

3.3.3 Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

3.4 Payment.

- 3.4.1 All properly documented invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the invoice.
- 3.4.2 If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of one percent (1%) per month or the maximum lawful rate; except, in case of a dispute or improperly documented invoice, accrued interest on outstanding payments will be governed by state law. If payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.
- 3.4.3 The City may withhold the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;
 - 3.4.3.1 Failure of the Contractor to submit properly documented invoices with all required attachments and supporting documentation
 - 3.4.3.2 Failure of the Contractor to provide the services in accordance with Paragraph 2.2.
- 3.4.4 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.5 Non-Appropriation. The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this Contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

3.6 Travel Expenses. All travel, lodging, and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Contract will be reviewed against the City's Travel Policy (Exhibit J) and the current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulation.

3.7 Final Payment and Close-Out.

- 3.7.1 The making and acceptance of final payment will constitute:
 - 3.7.1.1 a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from the Contractor's continuing obligations under the Contract, or (3) arising under the City's right to review in section 7.5.1; and

- 3.7.1.2 a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled, or those resulting from fault on the part of the City or any entity or individual acting on the City's behalf.

SECTION 4. TERM AND TERMINATION

- 4.1 Term of Contract.** This Contract shall become effective July 1, 2018. The Contract shall be in effect for a term of sixty (60) months. Pricing is firm for first twenty-four (24) months in accordance with Exhibit A.
- 4.1.1** Upon expiration of the initial term, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 calendar days unless mutually agreed on in writing).
- 4.2 Right To Assurance.** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
- 4.3 Default.** A party shall be in default under the Contract if a party (a) fails to perform any of its material obligations under the Contract, (b) fails to provide an adequate response/remedy of performance under the Right to Assurance paragraph contained herein, or (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States.
- 4.4 Termination For Cause.** In the event of a default by either party, the other party shall have the right to terminate the Contract for cause, by providing written notice to the other party; provided, however, that each party shall have the right to cure such default within ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the party, within such ten (10) day period, cures such default, or provides evidence sufficient to the other party's reasonable satisfaction that such default does not, in fact, exist. In the case of a Contractor default, the City may, in lieu of such termination, place Contractor on probation for a specified period of time within which the Contractor will have the opportunity to correct the default. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to cure the default during the probation period, the City may proceed with termination. In addition to any other remedy available under law or in equity, the City shall, subject to the terms of this Contract, be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law (including, but not limited to, the City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors).
- 4.5 Termination Without Cause.** Either party shall have the right to terminate the Contract without cause at any time upon written notice provided to the party identified in Section 7.10. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
- 4.6 Fraud.** Fraudulent statements by either party, including by the Contractor on any Offer, shall be grounds for the termination of the Contract for cause.

SECTION 5. OTHER DELIVERABLES

5.1 Insurance. The following insurance requirements apply.

5.1.1 General Requirements.

- 5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.
- 5.1.1.2 The Contractor shall provide a Certificate of Insurance on an industry standard Acord form as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request from the City.
- 5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- 5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
 - 5.1.1.4.1 The Contractor must also submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- 5.1.1.5 The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed or eligible to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings or the equivalent ratings from another nationally recognized rating firm of B+VII or better.
- 5.1.1.6 All waivers, and notices of cancellation as well as the Certificate of Insurance shall contain the Contractor's email address, and shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

OR

PURInsuranceCompliance@austintexas.gov
- 5.1.1.7 The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering the City as an additional insured and the Contractor, shall be considered primary coverage as applicable to Contractor's activities hereunder pursuant to additional insured status and the Services provided under this Contract.
- 5.1.1.8 If insurance policies are not written for amounts specified, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified.
- 5.1.1.9 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to

insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

5.1.1.10 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract unless it is immediately replaced with coverage which meets all the requirements contained herein.

5.1.1.11 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies.

5.1.2 Specific Coverage Requirements. The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

5.1.2.1.1 Contractual liability coverage for insured contracts.

5.1.1.1.1 Contractor/Subcontracted Work.

5.1.2.1.2 Products/Completed Operations Liability for the duration of the warranty period.

5.1.2.1.3 Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.

5.1.1.1.2 Thirty (30) calendar days Notice of Cancellation, provided to the policyholder who in turn will notify the City within two (2) business days of receipt of notification to the policyholder.

5.1.2.1.4 The City of Austin included as an additional insured, Endorsement CG 2010, or equivalent coverage.

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

5.1.2.2.1 Waiver of Subrogation, Endorsement CA0444, or equivalent coverage.

5.1.2.2.2 The City of Austin included as an additional insured, Endorsement CA2048, or equivalent coverage.

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions and endorsements:

5.1.2.3.1 The Contractor's policy shall apply in the State of Texas.

5.1.2.3.2 Waiver of Subrogation, Form WC 420304, or equivalent coverage.

5.1.2.4 **Professional Liability Insurance.**

5.1.2.4.1 The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the Contractor all sums which the Contractor shall become legally obligated to pay as damages by reason of a wrongful act, error, or omission arising out of the performance of professional services under this Contract.

5.1.2.4.2 If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made. This coverage shall be continuous and will be provided for 24 months following the completion of the contract if available at a commercially reasonable cost, terms and conditions.

5.2 Equal Opportunity.

5.2.1 Equal Employment Opportunity: No Contractor or Contractor's agent, shall engage in any illegal discriminatory employment practice as defined in Chapter 5-4 of the City Code. Contractor is an equal opportunity employer and it recruits, employs, trains, compensates and promotes without regard to race, religion, creed, color, citizenship, national origin, age, sex, gender, gender identity/expression, sexual orientation, marital status, disability, genetic information, veteran status or any other legally protected basis, in accordance with applicable federal, state or local law. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the Contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

5.2.2 Americans With Disabilities Act (ADA) Compliance: No Contractor, or Contractor's agent, shall engage in any illegal discriminatory employment practice against individuals with disabilities as defined in the ADA.

5.3 Delays. Delays in services are provided for in Exhibit E.

5.4 Interested Parties Disclosure. As a condition to entering the Contract, the Business Entity constituting the Offeror must provide the following disclosure of Interested Parties to the City prior to the award of a contract with the City on Form 1295 "Certificate of Interested Parties" as prescribed by the Texas Ethics Commission for any contract award requiring council authorization. The Certificate of Interested Parties Form must be completed on the Texas Ethics Commission website,

printed, and signed by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury. The City will submit the "Certificate of Interested Parties" to the Texas Ethics Commission within 30 days of receipt from the Offeror. Link to Texas Ethics Commission Form 1295 process and procedures below:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

- 5.5 Rights to Proposal and Contractual Material.** All material submitted by the Contractor to the City shall become property of the City upon receipt, subject to the provisions of this Contract including the requirements in Exhibit G and Exhibit H. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Open Records Act, Chapter 552, Texas Government Code.

SECTION 6. WARRANTIES

- 6.1** The Contractor warrants that it shall perform services hereunder consistent with applicable professional standards as set forth in Paragraph 1.2. Contractor disclaims all other warranties, either express or implied.

SECTION 7. MISCELLANEOUS

- 7.1 Place and Condition of Work.** The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract.

7.2 Workforce.

- 7.2.1** The Contractor, its personnel, subcontractors, and subcontractor's employees may not while engaged performing services hereunder on the City's property:

7.2.1.1 use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract.

7.2.1.2 use or possess alcoholic or other intoxicating beverages, illegal drugs or unprescribed controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

- 7.2.2** If the City or the City's representative notifies the Contractor that any worker has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall promptly remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

7.3 Compliance with Health, Safety, and Environmental Regulations.

The Contractor, its Subcontractors, and their respective personnel, shall comply in all material respects with all Federal, State, and local laws, ordinances, governmental rules and governmental regulations relating to health, safety, and the environment to the extent applicable to the Contractor's performance of the services set out in this Contract, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions,

judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

- 7.4 Significant Event.** The Contractor shall promptly notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which, in the Contractor's sole determination, could have a material adverse effect upon the Contractor's ability to meet its contractual obligations hereunder.
- 7.5 Force Majeure.** Both the Contractor and the City agree they shall grant the other party a reasonable extension of time as appropriate, if conditions beyond the parties' reasonable control including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or order of any governmental agency or authority that directly or indirectly render timely performance of the parties' services impossible or unexpectedly burdensome. The party suffering the impossibility or burdensome conditions shall provide written notice to the other party within ten (10) days of the onset of such performance delay, specifying the reasons therefore. Failure to fulfill contractual obligations for reasons set forth above shall not be considered a breach of this Contract provided, however, that such obligations shall be suspended only for the reasonable duration of such condition.
- 7.6 Right to Audit.** The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have the right to review or examine upon prior written notice during normal business hours any and all records of the Contractor relating to payments made under this Contract. The Contractor shall retain all such records relating to such payments for a period of three (3) years after the final invoice is submitted under this Contract. The Contractor agrees to refund to the City any overpayments disclosed by any such review as mutually agreed to by the parties. The Contractor shall include this provision in all non-affiliated entity subcontractor agreements entered into in connection with this Contract.
- 7.7 Subcontractors.**
- 7.7.1** No Compliance Plan was required by the Solicitation but the Contractor has identified Subcontractors in a Compliance Plan which has been approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D of the Austin City Code, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- 7.7.2** Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not materially conflict with the terms of the Contract.
- 7.7.3** The Contractor's use of a Subcontractor shall not relieve the Contractor from any of its obligations to the City hereunder. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such

Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

7.7.4 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor in no later than ten (10) days after receipt of payment from the City.

7.8 Stop Work Notice. The City may issue an immediate Stop Work Notice in the event any of the Contractor's personnel or Subcontractor's personnel working on this contract is observed performing in a manner that is in violation of Federal, State, or local governmental guidelines applicable to the Contractor's performance of services hereunder, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected.

7.9 Claims. If any claim, demand, suit, or other action is asserted against the Contractor that would, in the Contractor's sole determination, have a material adverse effect on the Contractor's ability to perform hereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of the notification of any such claim, demand, suit or other action; the names and addresses of the claimant(s); the basis thereof, and the name of each person against whom such claim is being asserted. Should the Contractor be unable to provide all of the information required by this provision, based on the confidentiality set forth in the applicable professional standards, a court order, or in accordance with applicable law or regulation, the Contractor will so inform the City and provide such information as is allowed under such standards, order, or in accordance with applicable law or regulation. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.10 Contacts. Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract, except for those requests, inquiries or communications related to performance of the services under this Contract or other engagement letters, shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:	To the Contractor:
City of Austin, Purchasing Office	Deloitte & Touche LLP
ATTN: Claudia Rodriguez, Procurement Specialist IV	ATTN: Tracey Cooley, Contract Manager
P O Box 1088	500 West 2 nd Street, Suite 1600
Austin, TX 78767	Austin, TX 78701-1648

7.11 Confidentiality. The Contractor (including its personnel and subcontractors) will maintain City information in a manner that complies with Rule 1.700.001 of the AICPA Code of Professional Conduct-Revised. Rule 1.700.001 states "A member in public practice shall not disclose any confidential client information without the specific consent of the client. This rule shall not be

construed (1) to relieve a member of his or her professional obligations of the "Compliance with Standards Rule" [1.310.001] or the "Accounting Principles Rule [1.320.11], (2) to affect in any way the member's obligation to comply with a validly issued and enforceable subpoena or summons, or to prohibit a member's compliance with applicable laws and government regulations, (3) to prohibit review of a member's professional practice under AICPA or state CPA society or Board of Accountancy authorization, or (4) to preclude a member from initiating a complaint with, or responding to any inquiry made by, the professional ethics division or trial board of the Institute or a duly constituted investigative or disciplinary body of a state CPA society or Board of Accountancy.

Members of any of the bodies identified in (4) above and members involved with professional practice reviews identified in (3) above shall not use to their own advantage or disclose any member's confidential client information that comes to their attention in carrying out those activities. This prohibition shall not restrict members' exchange of information in connection with the investigative or disciplinary proceedings described in (4) above or the professional practice reviews described in (3) above." The City hereby consents to Auditors disclosing such information (1) as may be required by law or regulation, or to respond to governmental inquiries, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining hereto; (2) to the extent such information (i) is or becomes publicly available other than as the result of a disclosure in breach hereof, (ii) becomes available to Auditors on a nonconfidential basis from a source that Auditors believe is not prohibited from disclosing such information to Auditors, (iii) is already known by Auditors without any obligation of confidentiality with respect thereto, or (iv) is developed by Auditors independently of any disclosures made to Auditors hereunder; or (3) to contractors providing administrative, infrastructure, and other support services to Auditors and subcontractors providing services in connection with this engagement, in each case, whether located within or outside of the United States, provided that such contractors and subcontractors have agreed to be bound by confidentiality obligations at least as restrictive as those in this paragraph.

7.12 Advertising. The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law, regulation, or applicable professional standards.

7.13 No Contingent Fees. The Contractor represents that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide personnel of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this section, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

7.14 Gratuities. The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

7.15 Prohibition Against Personal Interest in Contracts. No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-

making process of the performance of any solicitation leading to the formation of this Contract shall have a financial interest, direct or indirect, in the Contract. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

7.16 Independent Contractor. The Contract shall not be construed as creating an employer/employee relationship, representative, a partnership, or a joint venture and the Contractor is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the City. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City. Contractor is not, and will not be considered to be an agent, partner, fiduciary, or representative of the City.

7.17 Assignment-Delegation. The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns. Except as provided below, no party may assign transfer or delegate any of its rights or obligations relating to this engagement (including without limitation interests or claims relating to this engagement) without prior consent of the other party. The City hereby consents to a portion of the services of the Contract to be provided by any affiliate or related entity of the Contractor located within the United States, provided, however, that providing such services by an affiliate or related entity will not relieve Contractor from any of its obligations to the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third-party beneficiaries to the Contract.

7.18 Waiver. No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

7.19 Modifications. The Contract can be modified or amended only in writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

7.20 Interpretation. The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other.

7.21 Dispute Resolution.

7.21.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a

minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

- 7.21.2** If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the costs of mediation equally.

7.22 Indemnity.

- 7.22.1** The Contractor agrees to indemnify, defend and save harmless the City from and against any and all liability, expense, including reasonable defence costs and reasonable legal fees, and claims for damages, in each case solely for bodily injury, death or damage to real or tangible personal property, to the extent directly and proximately caused by the negligence or wilful misconduct of the Contractor while engaged in the performance of services hereunder; provided, however, that if there also is fault on the part of the City or any entity or individual indemnified hereunder or any entity or individual acting on City's behalf, the foregoing indemnification shall be on a comparative fault basis in accordance with the law of the State of Texas. The City does not waive any governmental immunity available to it under law.
- 7.22.2** The Contractor shall indemnify and hold harmless the City from and against any and all damages paid to third parties, as well as reasonable costs and expenses incurred by City, including but not limited to reasonable attorneys' fees, to the extent resulting from any claim, lawsuit or proceedings (collectively "Claims") brought by a third party against City which directly arise from a breach by the Contractor or Contractor's Agents (as defined in the BAA as defined below) of the use or disclosure provisions of the HIPAA Business Associate Agreement between the parties attached hereto as Exhibit B (the "BAA") relating to PHI (as defined in the BAA); provided, however, that the Contractor's maximum aggregate liability pursuant to the indemnification obligation set forth in this paragraph shall not exceed Four Million Dollars \$4,000,000; and provided, further, that such indemnification obligations shall be subject to the conditions that: (i) the City provides the Contractor with prompt and timely written notice of any such Claim; (ii) the City provides the Contractor with prior notice of the external counsel that it has selected to handle the defense of such Claim, (iii) the Contractor shall be entitled to participate in the defense of such Claim with counsel selected by the Contractor in its sole discretion at the Contractor's expense; and (iv) any settlement of such Claim shall be subject to the Contractor's prior written consent, which consent shall not be unreasonably withheld. The Contractor's

obligations to indemnify set forth in this paragraph shall survive the expiration or termination of the BAA.

7.23 Limitation of Liability. Contractor shall not be liable for any amounts representing loss of profit, loss of business or special, consequential, incidental, indirect, exemplary or punitive damages. Furthermore, Contractor and its personnel shall not be liable to the City for any claims, liabilities, or expenses relating to this Contract for an aggregate amount in excess of \$6,000,000 with the exception of the separate limitation of liability set forth in 7.22.2 above.

7.24 Minority and Women Owned Business Enterprise (MBE/WBE) Procurement Program.

7.24.1 All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.

7.24.2 The City of Austin has determined that no goals are appropriate for this Contract. Even though no goals have been established for this Contract, the Contractor is required to comply with the City's MBE/WBE Procurement Program, Chapters 2-9A, 2-9B, 2-9C and 2-9D, of the City Code, as applicable, if areas of subcontracting are identified.

7.24.3 If any service is needed to perform the Contract and the Contractor or its affiliates do not perform the service with their own workforce, or if supplies or materials are required and the Contractor does not have the supplies or materials in its inventory the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Contractor must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

7.25 Living Wages.

7.25.1 The minimum wage required for any Prime Contractor employee and all tiers of subcontractors directly assigned to this City Contract is \$14.00 per hour, unless Published Wage Rates are included in the solicitation. In addition, the City may stipulate higher wage rates in certain Contracts in order to assure quality and continuity of service.

7.25.2 The City requires Contractors to provide confirmation within five (5) calendar days of Contract execution confirmation that all employees of the Prime Contractor and all tiers of subcontractors directly assigned to this Contract will be paid a minimum living wage equal to or greater than \$14.00 per hour (see Exhibit Section 0815, Living Wages Contractor Certification). The confirmation shall include a list of all Prime Contractor and all tiers of subcontractor employees directly assigned to providing services under the Contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.

7.25.3 The Contractor shall maintain throughout the term of the Contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA).

7.25.4 The Contractor shall provide to the Department's Contract Manager with the first invoice, individual Employee Certifications for all Prime Contractor and subcontractor employees directly assigned to the Contract. The City reserves the right to request individual Employee Certifications at any time during the Contract term. Employee Certifications shall be signed by each Prime Contractor and subcontractor employee directly assigned to the Contract. The Employee Certification form is available on-line at:

https://assets.austintexas.gov/purchase/living_wages_employee_certification.pdf

7.25.5 Contractor shall submit Prime Contractor employee confirmations annually on the anniversary date of Contract award with the respective invoice to verify that employees are paid the Living Wage throughout the term of the Contract. The Employee Certification Forms shall be submitted for Prime Contractor and subcontractor employees directly assigned and added to the Contract and/or to report employee changes as they occur.

7.25.6 The City's Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right to review employee records identified above in paragraph 7.23.3 above to verify compliance with this provision.

7.26 Jurisdiction And Venue. The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of either party to seek and secure injunctive relief from any competent authority as contemplated herein.

7.27 Invalidity. The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

7.28 Holidays. The following holidays are observed by the City:

Holiday	Date Observed
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November

Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

7.29 Survivability of Obligations. All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the agreements and undertakings of the parties contained in this Contract and the Applicable Engagement Letters (including any appendices thereto), including, but not limited to confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

7.30 Non-Suspension or Debarment Certification. The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Contractor certifies that its firm (and its principals performing services hereunder or under any Engagement Letter) are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.31 Incorporation of Documents. **Section 0100, Standard Purchase Definitions**, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address:

www.austintexas.gov/sites/default/files/files/Finance/Purchasing/standard-purchase-definitions.pdf

7.32 Order of Precedence. The Contract includes, without limitation, the Applicable Engagement Letter, the Solicitation, the Offer submitted in response to the Solicitation, the Contract award, and any addenda, exhibits and amendments hereto. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order.

7.32.1 the terms hereof;

7.32.2 an executed Applicable Engagement Letter;

7.32.3 Deloitte & Touche LLP's Proposal dated February 6, 2018 ("Contractor's Proposal");

7.32.4 City of Austin Request for Qualifications, No. 7400-CRR0306, issued January 15, 2018 and all amendments thereto ("RFQS").

In witness whereof, the parties have caused duly authorized representatives to execute this Contract on the dates set forth below.

DELOITTE & TOUCHE LLP

By: Tracey Guidry Cooley
Signature

Name: TRACEY GUIDRY COOLEY
Printed Name

Title: Managing Director

Date: 7-13-18

CITY OF AUSTIN

By: Claudia Rodriguez
Signature

Name: Claudia Rodriguez
Printed Name

Title: Procurement Specialist IV

Date: 07/16/18

List of Exhibits

- Exhibit A Deloitte's Proposal Dated February 6, 2018 and Pricing Schedule ("Pricing Agreement")
- Exhibit B HIPAA Business Associate Agreement
- Exhibit C Auditors' Responsibility and Scope of an Audit in accordance with generally accepted auditing standards, generally accepted government auditing standards (collectively the "Auditing Standards") and OMB Uniform Guidance and State of Texas Uniform Grants Management Standards
- Exhibit D City Management's Responsibilities
- Exhibit E Circumstances Affecting Timing and Fee Estimate
- Exhibit F Communications with the City's Audit and Finance Committee
- Exhibit G Form of Audit Services Engagement Letter
- Exhibit H Form of Agreed-upon Procedures Engagement Letter
- Exhibit I City of Austin Charter 2-11, Records Management
- Exhibit J City of Austin Travel Policy



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: 7400-CRR0306

Addendum No: 1

Date of Addendum: 01/25/18

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

- I.1** Removed the Living Wage section and evaluation points redistributed on the Section 0600, see attached revised version.
- I.2** Added the Pre-Response Attendance Sign-In Sheet.
- I.3** Add the Exceptions, Exhibit A referenced in Section 0600, Tab 1, Item 7.

II. Questions:

Q1. We would like to request the following documents with respect to the RFQS:

- 9/30/17 PFC Report
 - Please email request to Controllers.Office@austintexas.gov and we will email a copy of this restricted report.
- One example of a 2017 or 2016 debt service coverage (times coverage) report
 - Please email request to Controllers.Office@austintexas.gov and we will email a copy of this restricted report.
- Management Letter from Deloitte to the City for the 2017 and 2016 audits.
 - The FY16 CAFR was presented to the Audit Finance Committee on March 29, 2017. Minutes, presented documents, and video of the meeting can be found at <https://www.austintexas.gov/department/city-council/2017/20170329-afc.htm>.
 - The FY17 CAFR is not yet complete. We anticipate the CAFR to be released in February or March.
- The latest GO Bond Official Statement.
 - All official statements can be found at https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3
- The latest Revenue Bond Official statement for an Austin Energy and an Austin Water bond issuance.
 - All official statements can be found at https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3

Q2. Does the City accept electronic invoices?

Yes, once a contract is awarded the Auditor can establish a method to email invoices to the Contract Manager rather than by mail.

Q3. Are there any outstanding federal or state agency audit issues?

No outstanding issues, the City had a few deficiencies in the single audit. If you email the Controller's Office they can send that to you. Nothing of significance was found. The FY16 Single Audit was presented to the Audit and Finance committee on August 22, 2017. Here is a link to the video: <http://www.austintexas.gov/department/city-council/2017/20170822-afc.htm>.

Q4. Can you go into detail on the bond issues, Revenue and GO, etc. and on what your financial advisors expect from Auditors?

We ask for the Auditor's consent to include your opinion in our official statements (both preliminary and final). In the past, there is a review conducted by the Contractor/Auditor of the OS in advance that allows the Auditor to provide written consent to the City which is included in the official statement.

Q5. What is the general timeframe how long does that process typically last?

We try to provide the Auditor with the most up to date drafts, so you have reviewed it at least once before we get to the final where we might need a turnaround of 2 to 5 business days. We work to advise the Auditor with as much notice as possible.

Q6. On 3.1.1.4 for new accounting standards, can you elaborate on what analysis is required by the Auditor?

We have a collaborative approach to new standards, and we share with the Auditor what we are doing, and we ask for mutual communication. We ask that the Auditor be our partner as we look at new standards.

Q7. There is nothing requiring costs to be submitted in the 0600.

Yes, that is correct. This solicitation is based on qualifications. Once the most qualified contract is selected, they will be asked to provide costs associated with the final scope of work.

Q8. What level of detail is required for the professional education submittals?

It can be general categories (governmental auditing, tax, etc.) that are provided. The City is seeking staff assigned to the contract that are experienced in governmental accounting audits. Please provide where you plan to rely on specialists to work on specialized areas such as IT, pensions, and derivatives.

Q9. On the old utility billing system, it was a challenge to locate past due accounts. On the new system are you able to pull that information easily? Does Austin Energy (AE) do account computation for all the other activities?

Yes, AE is probably the only department outside of the Controller's Office that spends a substantial amount of time with the Auditors. Much of this time is focused on utility billing and testing. AE is responsible for entries across all funds associated with the billing process, including accounts receivable and allowances.

Q10. How is the commitments and contingencies legal letters dealt with?

Regarding 3rd party litigation, the Controller's Office meets with the Law Department on a quarterly basis to review any outstanding claims/cases that have been filed. Following GAAP, we analyze those

based on the likely outcome and book accruals based on that information. The Audit team usually attends one meeting and based on that selects cases to send legal letters to an authorized representative (outside council) to confirm balances and liabilities as needed. The claims liability is carried in Austin Energy, Austin Water Utility and Airport, enterprise funds, and the Liability Reserve Fund, an internal service fund.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY: *Claudia Rodriguez* 01/26/2016
Claudia Rodriguez, Procurement Specialist IV Date
Purchasing Office, (512) 974-2959

ACKNOWLEDGED BY:

Tracey Guidry Cooley *Tracey Guidry Cooley* 01/30/2018
Name Authorized Signature Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

Please update positions to reflect the titles for your organization. Add additional rows if needed to accommodate your job titles.

Enter Billing Rate and Hours

Financial Audit of the City

Partner/Managing Director
Senior Managers and Managers
Senior
Staff
Other - Specialists

Subtotal

Federal and State Single Audits and Passenger Facility Charge Program Audit based on a maximum of 8 programs

Partner
Manager
Senior
Staff
Other

Subtotal

Each revenue bond sale (assumes issuance of consent and coverage letter)

Partner
Manager
Senior
Staff
Other

Subtotal

Each general obligation bond sale (assumes issuance of consent)

Partner
Manager
Senior
Staff
Other

Subtotal

Review of the annual landfill report to the Texas Commission on Environmental Quality (TCEQ)

Partner
Manager
Senior
Staff
Other

Subtotal

Grand Total firm fixed-price

- (1) The agreed upon procedures fees and hours depend on the scope of the work to be agreed upon with management

Estimates

Addition of major fund
Addition of single audit program
Travel
Other (printing)
Other (supplies and materials)
Other (courier services, typing, etc.)
Other (technology charges)

Year 1 (2018)			Year 2 (2019)			Year 3 (2020)			Year 4 (2021)			Year 5 (2022)			Total Fees
Billing Rate	Hours	Fees	Billing Rate	Hours	Fees	Billing Rate	Hours	Fees	Billing Rate	Hours	Fees	Billing Rate	Hours	Fees	
\$ 250	345	\$ 86,250	\$ 259	345	\$ 89,269	\$ 268	345	\$ 92,393	\$ 277	345	\$ 95,627	\$ 287	345	\$ 98,974	\$ 462,513
170	752	127,840	176	752	132,314	182	752	136,945	188	752	141,738	195	752	146,699	685,538
135	1,691	228,285	140	1,691	236,275	145	1,691	244,545	150	1,691	253,104	155	1,691	261,962	1,224,171
100	3,716	371,600	104	3,716	384,606	107	3,716	398,067	111	3,716	412,000	115	3,716	426,420	1,992,692
185	575	106,375	191	575	110,098	198	575	113,952	205	575	117,940	212	575	122,068	570,432.31
	7,079	920,350		7,079	952,562		7,079	985,902		7,079	1,020,408		7,079	1,056,123	4,935,345
\$ 250	40	10,000	\$ 259	40	10,350	\$ 268	40	10,712	\$ 277	40	11,087	\$ 287	40	11,475	53,625
170	84	14,280	176	84	14,780	182	84	15,297	188	84	15,832	195	84	16,387	76,576
135	194	26,123	140	194	27,037	145	194	27,983	150	194	28,962	155	194	29,976	140,081
100	932	93,200	104	932	96,462	107	932	99,838	111	932	103,333	115	932	106,949	499,782
185	-	-	191	-	-	198	-	-	205	-	-	212	-	-	-
	1,250	143,603		1,250	148,629		1,250	153,831		1,250	159,215		1,250	164,787	770,064
\$ 250	10	2,500	\$ 259	10	2,588	\$ 268	10	2,678	\$ 277	10	2,772	\$ 287	10	2,869	13,406
170	22	3,740	176	22	3,871	182	22	4,006	188	22	4,147	195	22	4,292	20,056
135	26	3,510	140	26	3,633	145	26	3,760	150	26	3,892	155	26	4,028	18,822
100	-	-	104	0	-	107	0	-	111	0	-	115	0	-	-
185	-	-	191	-	-	198	-	-	205	-	-	212	-	-	-
	58	9,750		58	10,091		58	10,444		58	10,810		58	11,188	52,284
\$ 250	8	2,000	\$ 259	8	2,070	\$ 268	8	2,142	\$ 277	8	2,217	\$ 287	8	2,295	10,725
170	10	1,700	176	10	1,760	182	10	1,821	188	10	1,885	195	10	1,951	9,116
135	21	2,835	140	21	2,934	145	21	3,037	150	21	3,143	155	21	3,253	15,203
100	-	-	104	0	-	107	0	-	111	0	-	115	0	-	-
185	-	-	191	-	-	198	-	-	205	-	-	212	-	-	-
	39	6,535		39	6,764		39	7,000		39	7,245		39	7,499	35,044
\$ 250	2	500	\$ 259	2	518	\$ 268	2	536	\$ 277	2	554	\$ 287	2	574	2,681
170	3	510	176	3	528	182	3	546	188	3	565	195	3	585	2,735
135	5	675	140	5	699	145	5	723	150	5	748	155	5	775	3,620
100	11	1,100	104	11	1,139	107	11	1,178	111	11	1,220	115	11	1,262	5,899
185	-	-	191	-	-	198	-	-	205	-	-	212	-	-	-
	21	2,785		21	2,882		21	2,983		21	3,088		21	3,196	14,934
	8,447	\$ 1,083,023		8,447	1,120,928		8,447	1,160,161		8,447	1,200,766		8,447	1,242,793	5,807,671

- ck

180	520	93,600	191	520	99,216	202	520	105,169	214	520	111,479	227	520	118,168
175	120	21,000	186	120	22,260	197	120	23,596	208	120	25,011	221	120	26,512
		15,000			15,450			15,914			16,391			16,883
		5,000			5,150			5,305			5,464			5,628
		1,000			1,030			1,061			1,093			1,126
		8,000			8,240			8,487			8,742			9,004
		17,000			17,510			18,035			18,576			19,134

Special Service Rates

Partner
Manager
Senior
Staff
Other

425		438		451		464		478	
350		361		371		382		394	
250		258		265		273		281	
180		185		191		197		203	
400		412		424		437		450	

Notes to the Fee Schedules:

1. The Fee Schedule is based on accounting and auditing literature known as of the effective date of the contract. Note that the fees do not contemplate the additional audit work required to audit the City's implementation of Government Accounting Standard's Board Statement No. 87 *Leases* , which is effective for FY21. Fees for any additional audit work will be negotiated with the Controller before FY21.
2. The hours listed in the fee schedule include budgeted hours projected to be performed by MBE staff. These hours are projected to be approximately 1,488 hours in FY18.
3. The audit hours for FY18 listed in the fee schedule represent our budget based on our prior history with the City over the past few years and the required level of effort.
4. The fee increase from FY17 to FY18 is the result of a true-up of the actual hours required to complete the City's audits. The hours are a true reflection of the required effort. To determine our fees, we started with our internal budgets by audit area and developed a targeted total audit fee. Note that the hourly rates per staffing level listed in this fee schedule are based on calculations considering the total fee and hours. The hourly rates per level are not indicative of our standard billing rates or rates that would be utilized for additional work or special projects.
5. For the Single Audit budget, we considered the make-up and complexity of the City's programs. We developed 3 tiers of major programs as the hours and effort to audit programs can vary significantly based on the City's control structure and the compliance requirements set by the federal or state agencies. The 3 tiers are: Large Federal Programs, Small Federal Programs and State Programs. Our budget assumes that we will have 2 Large Federal Programs (275 audit hours each), 4 Small Federal Programs (125 audit hours each) and 2 State Programs in any given year (100 audit hours each).

EXHIBIT B

HIPAA BUSINESS ASSOCIATE AGREEMENT

The City of Austin ("City") and Deloitte & Touche LLP ("Contractor"), enter into this HIPAA BUSINESS ASSOCIATE AGREEMENT, to be effective on the first day of July, 2018 ("Business Associate Agreement" or "BAA"). Pursuant to the terms set forth in the agreement between City and Contractor regarding the Comprehensive Annual Financial Report (CAFR) and Single Audit Services ("Contract"), to be effective on the first day of July, 2018, Contractor shall provide audit services for the City of Austin. The parties acknowledge that this Business Associate Agreement is entered into pursuant to the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and this BAA is incorporated into and made a part of the Contract for all purposes.

The parties acknowledge and agree that Contractor, in performing its duties under the Contract, may receive Protected Health Information as defined in Section 13 below, from City and from City's contractors and that Contractor may create, receive, use or disclose PHI on the City's behalf in connection with the services performed under the Contract ("PHI"). Contractor agrees to maintain the privacy and security of such PHI as required by this BAA and all applicable laws and regulations. Without limiting the foregoing, the parties agree to the following:

1. **Use of PHI:** Contractor shall not and shall ensure that its directors, officers, employees, contractors, and agents to whom Contractor provides PHI in connection with the performance of the services under the Contract (referred to collectively as "Contractor's Agents"), do not use PHI other than as expressly permitted by the Contract or this BAA, or as Required by Law (as defined at 45 CFR Section 164.103). Specifically, Contractor shall use PHI only for the purposes of providing the services described in the Contract. Contractor may also use PHI if necessary for the proper management and administration of the Contractor or to carry out its legal responsibilities. In addition, Contractor agrees that it will not sell or distribute PHI, including patient or enrollee lists, nor use any PHI to engage in "marketing," as such term is defined in Section 164.501 of Title 45, U.S. Code of Federal Regulations.
2. **Disclosure of PHI:**
 - a. **Disclosure to Third Parties.** Contractor shall not and shall ensure that Contractor's Agents do not disclose PHI to any other person or entity (other than members of Contractor's or Contractor's Agents' workforce involved in the performance of services under the Contract as specified in subsection b. of this Section), unless disclosure is (i) Required by Law, (ii) permitted by this BAA, or (iii) approved in advance by City. Contractor may also disclose PHI received by it in its capacity as Business Associate if necessary for the proper management and administration of Contractor or to carry out its legal responsibilities if the disclosure is Required by Law or Contractor obtains the assurances described in subsections 1. and 2 below.

To the extent that Contractor or Contractor's Agents disclose PHI to a third party (other than disclosures Required by Law), Contractor must obtain, prior to making any disclosure:

1. Reasonable assurances from such third party that PHI will be held confidential, and only disclosed as Required by Law or for the purposes for which it was disclosed to such third party; and

2. such third party must agree to promptly notify Contractor of any instances of which it becomes aware that the confidentiality of PHI has been breached.
 - b. Disclosure to Workforce. Contractor shall not disclose PHI to any member of its workforce unless Contractor has advised such person of Contractor's obligations under this Contract, and of the consequences for such person and for Contractor of violating them.
3. **Safeguards**: The Contractor and the City agree to work together to limit the Contractor's access to any PHI to only that required to fulfill the Contractor's obligations in accordance with the professional standards applicable to services provided under the Contract. The Contractor will forego automated sampling techniques when performing tests on data that includes PHI. The City may redact PHI from information provided to the Contractor as long as such information is not required for compliance testing purposes. Contractor shall implement appropriate safeguards to prevent use or disclosure of PHI other than as permitted by this BAA. In addition, Contractor shall comply and require that Contractor's Agents comply with the minimum necessary requirements set forth at 45 CFR Section 164.502(b) when using or disclosing PHI. Contractor also agrees to mitigate, to the extent practicable, any harmful effects of an improper use or disclosure of PHI by Contractor in violation of the requirements of this BAA.
4. **Accounting of Disclosures**:
 - a. Contractor shall maintain a record of all PHI disclosures made other than for the permitted purposes of the Contract and this BAA, including the date of disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purposes of the disclosures.
 - b. Within ten (10) calendar days of notice by City to Contractor that City has received a request for an accounting of disclosures of PHI regarding an individual, Contractor shall make available to City such information as is in Contractor's possession and is required for City to make the accounting.
5. **Reporting of Disclosures of PHI**: Contractor shall, within five (5) business days (Monday - Friday) of becoming aware of a use or disclosure of PHI in violation of this BAA by Contractor or Contractor's Agents, report such disclosure or use in writing to Diana Thomas in the Controller's Office of the City's Financial Services Department and describe remedial action taken or proposed to be taken with respect to such use or disclosure.
6. **Agreements by Third Parties**: Contractor shall ensure that any subcontractor of Contractor or Contractor Agent (other than members of Contractor's or Contractor's Agents' workforce) to whom Contractor provides access to PHI agrees to be bound by the same restrictions, terms, and conditions that apply to Contractor under this BAA with respect to such PHI.
7. **Disclosure to U.S. Department of Health and Human Services**: Contractor shall make its internal practices, books and records relating to the use and disclosures of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with 45 CFR Part 164 of HIPAA.
8. **Access; Forwarding Requests From Individuals**: Within ten (10) calendar days of receipt of a request by City, Contractor shall permit any individual whose PHI is maintained by Contractor in a Designated Record Set (as defined at 45 CFR Section 164.501) to have access to and to copy his or her PHI, in the format requested, unless it is not readily

producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to PHI held by Contractor directly from Contractor, Contractor shall, promptly forward such request to City. Any denial of access to the PHI requested shall be the responsibility of City.

9. **Correction of PHI:** Contractor agrees to make any amendments to PHI maintained in a Designated Record Set that the City directs or agrees to under HIPAA. City shall provide Contractor with written instructions regarding any such amendment.
10. **Amendment:** Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, City may, by written notice to Contractor, request an amendment to this BAA in such manner as City determines necessary to comply with such law or regulation. If Contractor agrees with any such amendment, it shall be memorialized in an amendment to this BAA executed by the parties hereto. If Contractor does not agree to the amendment, it shall notify City in writing of such decision within thirty (30) days of the date of the notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate the Comprehensive Annual Financial Report (CAFR) and Single Audit Services Contract and this Business Associate Agreement, for convenience, upon written notice to the other.
11. **Breach:** If Contractor breaches any of its obligations under this BAA, City may, at its option:
 - a. provide Contractor with notice of the breach and an opportunity to cure such breach within thirty (30) calendar days of the notice of breach. If Contractor fails to cure the breach within such cure period, City may terminate this BAA and the Contract by providing written notice to Contractor.or
 - b. If termination is not feasible, report the breach to the Secretary of the United States Department of Health and Human Services.

City's remedies under this Section and under any other provisions of the Contract shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

12. **Procedure Upon Termination:**
 - a. Except as provided in paragraph 12b. below, upon termination of the Contract or this BAA, for any reason, Contractor shall return or destroy all PHI that it still maintains in any form. This provision shall also apply to PHI that is in the possession of Contractor's Agents. Except as provided in paragraph 12b. below, Contractor shall retain no copies of the PHI.
 - b. In the event that Contractor determines that returning or destroying the PHI is not feasible (such as in the event that the retention of such PHI by Contractor is Required by Law, regulation, professional standards, or reasonable business practice to evidence Contractor's services under the Contract), Contractor shall provide to City written notification of the conditions that make return or destruction infeasible and may retain such PHI. In this event Contractor shall extend the protections of this BAA to such PHI and limit further uses and disclosures of such

PHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the PHI. Contractor's rights and obligations under this Section 12 shall survive the termination of the Contract.

13. **Definitions for Use in this BAA:**

- a. Individually Identifiable Health Information shall mean information that is a subset of health information, including demographic information collected from an individual, that:
 - (i) is created or received by a health care provider, health plan, employer, or healthcare clearinghouse; and
 - (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- b. Protected Health Information shall mean Individually Identifiable Health Information that is (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.

14. **City's Responsibilities:**

- a. City will not disclose any PHI or other information to Contractor, if such disclosure would violate HIPAA or any applicable state law.
- b. City will not request Contractor to use or disclose PHI in any manner that would not be permissible under HIPAA if done by City.

15. **Miscellaneous:** Nothing contained in this BAA is intended to confer upon any person (other than the parties hereto) any rights, benefits, or remedies of any kind or character whatsoever, whether in contract, statute, tort (such as negligence), or otherwise, and no person shall be deemed a third-party beneficiary under or by reason of this BAA. Nothing contained in this BAA shall be interpreted to mean that Contractor will create or transmit PHI on behalf of the City.

This Business Associate Agreement shall take effect on the first day of July, 2018, and shall terminate on the effective date of termination of the Contract.

"CITY"

CITY OF AUSTIN, A Home Rule Municipality

Signature: Diana Thomas

Printed Name: Diana Thomas

Title: Controller

"CONTRACTOR"

Deloitte & Touche LLP

Signature: Tracey Guidry Cooley

Printed name: TRACEY GUIDRY COOLEY

Title: Managing Director

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EXHIBIT C

Auditors' Responsibility and Scope of an Audit in accordance with generally accepted auditing standards and generally accepted government auditing standards (collectively the "Auditing Standards") and OMB Uniform Guidance and State of Texas Uniform Grants Management Standards

Auditors' Responsibilities

Our responsibilities under the Auditing Standards, OMB Uniform Guidance and the State of Texas Uniform Grants Management Standards (UGMS) include forming and expressing opinions and reporting on certain matters as described in the *Audit of Financial Statements and Other Reporting* section of Exhibit G to this Contract. The audit of the financial statements and our reporting on other matters do not relieve management or the City's Audit and Finance Committee of their responsibilities.

Scope of an Audit and Other Reporting

The Auditing Standards, OMB Uniform Guidance, and UGMS require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether each opinion unit of the financial statements are free from material misstatement, whether caused by fraud or error. However, because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards, OMB Uniform Guidance and UGMS. The Auditors have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by fraud or error, that are not material to the financial statements as a whole are detected.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether caused by fraud or error. In making those risk assessments, the Auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

An audit also includes tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, the Auditors objective is not to provide an opinion on compliance with those provisions, and accordingly, the Auditors will not express such an opinion.

As part of the audit, the Auditors will be alert to situations or transactions that could be indicative of abuse as defined by generally accepted government auditing standards, which involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. The determination of abuse is subjective; generally accepted government auditing standards do not require the Auditors to provide reasonable assurance of detecting abuse, and the Auditors' will not design the audit to detect abuse. However, if the Auditors become aware of abuse that could be quantitatively or qualitatively material to the financial statements, the Auditors will apply procedures specifically directed to ascertain the potential effect on the financial statements or other financial data significant to the audit objectives. Under generally accepted government auditing standards, the Auditors may be required to directly report known or likely fraud, noncompliance with

provisions of laws, regulations, contracts or grant agreements, or abuse to outside parties.

Generally accepted accounting principles provide for certain required supplementary information (RSI), such as a management's discussion and analysis, to accompany the City's financial statements. As part of the audit, the Auditors will apply certain limited procedures to the City's RSI, which will consist principally of inquiries of management about the methods of preparing the information. The Auditors will disclaim an opinion on the RSI, unless (1) some of the RSI is omitted, (2) the measurement or presentation of the RSI departs materially from the prescribed guidelines, or (3) the Auditors have unresolved doubts about whether the RSI is measured or presented in accordance with prescribed guidelines.

Supplementary information other than RSI, such as combining and individual fund financials statements, the schedule of expenditures of federal and state awards, and other supplementary information, also accompany the City's financial statements. The Auditors will subject supplementary information that is financially oriented to the audit procedures applied in the audit of the financial statements and express an opinion on whether such information is fairly stated, in all material respects, in relation to the City's financial statements as a whole. The Auditors will disclaim an opinion on supplementary information that comprises nonaccounting information or accounting information that is not directly related to the financial statements.

Scope of OMB Uniform Guidance and UGMS Audits

An audit in accordance with OMB Uniform Guidance and UGMS includes (1) determining which federal and state programs should be considered major programs and thus be included within the scope of the audit; (2) evaluating the overall presentation of the schedules of expenditures of federal and state awards and the combining and individual fund financial statements and other supplementary information in relation to the financial statements as a whole; (3) evaluating the items to be included in the schedule of findings and questioned costs and the reasonableness of the summary schedule of prior-year findings; (4) obtaining and reporting the views of responsible officials concerning the findings, conclusions, and recommendations, as well as their planned corrective actions; (5) preparing a schedule of findings and questioned costs; and (6) completing and signing the auditor-prepared sections of the OMB Data Collection Form that summarizes our audit findings.

We will plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that are applicable to the City's major federal and state programs could have a direct and material effect on each of its major federal and state programs. The audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. The audit does not provide a legal determination on the City's compliance with those requirements.

As part of the audit of the City's compliance with the requirements of major federal and state programs, we will obtain an understanding of the City's internal control related to administering major federal and state programs, and we will assess risk as required by OMB Uniform Guidance and UGMS for the purpose of establishing the nature, timing, and extent of audit procedures necessary for expressing an opinion concerning compliance with laws and regulations related to major federal and state award programs.

Exhibit D

City Management's Responsibilities

Financial Statements, Internal Control, and Compliance

Management is responsible for the preparation, fair presentation, and overall accuracy of the financial statements in accordance with generally accepted accounting principles and all accompanying information in accordance with prescribed guidelines or applicable criteria. In this regard, management has the responsibility for, among other things:

- Selecting and applying the accounting policies.
- Designing, implementing, and maintaining effective internal control relevant to (1) the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error and (2) compliance with laws, regulations, and provisions of contracts or grant agreements
- Identifying and ensuring that the City complies with the laws and regulations applicable to its activities and the provisions of contracts or grant agreements, and informing us of all instances of identified or suspected fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse whose effects should be considered by management when preparing financial statements
- Providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and all accompanying supplementary information, such as records, documentation, and other matters, (2) additional information that we may request from management for the purpose of our audit, and (3) unrestricted access to personnel within the City from whom we determine it necessary to obtain audit evidence
- Taking timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that the Auditors report
- Having a process to track the status of audit findings and recommendations
- Identifying for the Auditors previous audits, attestation engagements, and other studies related to the objectives of each audit and whether related recommendations have been implemented.
- Providing its view on the Auditors' current reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the Auditors' reports. The corrective action plan that the City develops for its OMB Uniform Guidance and UGMS reporting packages may fully or partially satisfy this responsibility
- Submitting the reporting package and OMB Data Collection Form to the Federal Clearinghouse and other federal agencies as required by federal regulations.
- Management is also responsible for (1) preparing supplementary information other than RSI, such as budgetary comparison information, the schedules of expenditures of federal and state awards, and statistical data in accordance with the applicable criteria, (2) including the Auditors' report on the supplementary information in any document that contains such information and that indicates that the Auditors have reported on such information, and (3) presenting the supplementary information with the City's audited financial statements.

Management's Representations

The Auditors will make specific inquiries of the City's management about the representations (1) embodied in the financial statements and accompanying information, (2) regarding the effectiveness of internal control, and (3) regarding the City's compliance with laws, regulations, and the provisions of contracts and grant agreements. Additionally, the Auditors will request that management provide to the Auditors the written representations the City is required to provide to its independent auditors under the Auditing Standards. The responses to those inquiries and written representations of management are part of the evidential matter that the Auditors will rely on in forming each opinion on the City's financial

statements and reporting on accompanying information. Because of the importance of management's representations, the City agrees, to the extent not prohibited by law, to release Auditors, its subcontractors, and its respective personnel from all claims, liabilities, and expenses relating to Auditor's services under this engagement letter attributable to any misrepresentation by management.

Independence Matters

In connection with each audit engagement, the Auditors, management, and the City's Audit and Finance Committee will assume certain roles and responsibilities in an effort to assist the Auditors in maintaining independence. Auditor will communicate to its partners, principals, and employees that the City is an attest client. Management of the City will ensure that the City, together with its component units and other entities that comprise the City for purposes of the comprehensive annual financial report, has policies and procedures in place for the purpose of ensuring that neither the City nor any such component units or other entity, will act to engage the Auditors or accept from the Auditors any service that under the American Institute of Certified Public Accountants ("AICPA"), generally accepted government auditing standards, or other applicable rules would impair the Auditors' independence. All potential services are to be discussed with the Contractor's Contract Manager for the engagement.

In connection with the foregoing paragraph, the City agrees to furnish to D&T and keep D&T updated with respect to a corporate tree that identifies the legal names of the City's affiliates and component units, as defined in AICPA *Code of Professional Conduct* Interpretation No. 101-18 (e.g., parents, subsidiaries, investors, or investees) ("City Affiliates"), together with the ownership relationship among such entities. Such information will be maintained in a database accessible by D&T in connection with their compliance with AICPA or other applicable independence rules.

Management will coordinate with the Auditors to ensure that the Auditors' independence is not impaired by hiring former or current partners, principals, or professional employees of the Auditors in a key position, as defined in the AICPA *Code of Professional Conduct*. Management of the City will ensure that the City, together with its component units and other entities that comprise the City for purposes of the comprehensive annual financial report, also have policies and procedures in place for purposes of ensuring that D&T's independence will not be impaired by hiring a former or current D&T partner, principal, or professional employee in a key position that would cause a violation of the AICPA Code of Professional Conduct, generally accepted government auditing standards, or other applicable independence rules. Any employment opportunities with the City for a former or current partner, principal, or professional employee of the Auditors should be discussed with the Contract manager of the engagement before entering into substantive employment conversations with the former or current partner, principal, or professional employee of the Auditors.

For purposes of the preceding three paragraphs, "the Auditors" shall mean Deloitte & Touche LLP and its subsidiaries; Deloitte Touche Tohmatsu Limited, its member firms, the affiliates of Deloitte & Touche LLP, Deloitte Touche Tohmatsu Limited and its member firms; and, in all cases, any successor or assignee.

Exhibit E

Circumstances Affecting Timing and Fee Estimate

The fees quoted for each of the audits are based on certain assumptions. Circumstances may arise during each of the audit engagements that may significantly affect the targeted completion dates and the Auditors' fee estimate. As a result, an adjustment to fees may be necessary if the impact of such circumstances increases the Contractor's hours by more than 15% of annual estimates. Such circumstances include but are not limited to the following:

Facilitation of the Audits

1. Changes to the timing of the engagement at the City's request. Changes to the timing of the engagement usually require reassignment of personnel used by the Auditors in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, the Auditors may incur significant unanticipated costs.
2. All schedules are not (a) provided by the City on the date requested, (b) completed in a format acceptable to the Auditors, (c) mathematically correct, or (d) in agreement with the appropriate City records (e.g., general ledger accounts). The Auditors will provide the City with a separate listing of required schedules, information requests, and the dates such items are needed.
3. Significant delays in responding to the Auditors' requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents).
4. Deterioration in the quality of the City's accounting records during the current-year engagement in comparison with the prior-year engagement.
5. A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the City.
6. Draft financial statements with appropriate supporting documentation are not prepared accurately and timely by the City's personnel.
7. Electronic files in an appropriate format and containing the information requested are not provided by the City as requested for the Auditors' use in performing file interrogation. The Auditors will provide the City with a separate listing of the required files and the dates the files are needed.
8. The audit engagement team, while performing work on the City's premises, is not provided with wireless or high-speed access to the Internet for purposes of conducting the engagement.
9. The proposed audit fees do not include the additional time the Auditors will spend auditing the City's implementation of Government Accounting Standards Board Statement No. 87 *Leases*. These additional hours will be discussed with the Controller prior to performing any additional work.

Significant Issues or Changes

1. Significant deficiencies or material weaknesses in the design or operating effectiveness of the City's internal control over financial reporting or internal control over federal and state programs are identified during any of the audits that result in the expansion of the related audit procedures.
2. A significant level of proposed audit adjustments is identified during any of the audits.
3. A significant number of drafts of the CAFR are submitted to the Auditors for comment or the Auditors identify a significant level of deficiencies in the draft CAFR.

4. Significant new issues or changes as follows:
 - a. Significant new accounting issues.
 - b. Significant changes in accounting policies or practices from those used in prior years.
 - c. Significant changes in the City's operations or new transactions that the City entered into subsequent to the date that the best and final offer was submitted.
 - d. Significant changes in the City's financial reporting process or Information Technology systems.
 - e. Significant changes in the City's accounting personnel, their responsibilities, or their availability.
 - f. Significant changes in auditing standards.
 - g. Significant changes in the City's use of specialists or the specialists or their work product does not meet the qualifications required by generally accepted auditing standards or generally accepted government auditing standards for the Auditors to place reliance upon their work.
5. Changes in audit scope caused by events that are beyond the Auditors' control.

Exhibit F

Communications with the City's Audit and Finance Committee

The Auditors are responsible for communicating with the City's Audit and Finance Committee significant matters related to their audits that are, in the Auditors' professional judgment, relevant to the responsibilities of the City's Audit and Finance Committee in overseeing the financial reporting process.

In connection with the foregoing paragraph, the Auditors will communicate to the City's Audit and Finance Committee any fraud of which they identify or suspect that involves (1) management, (2) employees of the City who have significant roles in internal control or (3) other employees of the City when the fraud results in a material misstatement of the financial statements. In addition, the Auditors will communicate with the City's Audit and Finance Committee any other matters related to fraud that are, in the Auditors' professional judgment, relevant to their responsibilities. The Auditors will communicate to management any fraud perpetrated by lower level employees of which the Auditor has become aware that does not result in a material misstatement of the financial statements; however, Auditor will not communicate such matters to the City's Audit and Finance Committee, unless otherwise directed by the City's Audit and Finance Committee.

In addition, as required by generally accepted government auditing standards, the Auditors' report on the City's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will include any findings of material noncompliance of such provisions, fraud, and material abuse that the Auditors have identified during their audits.

Auditors will also communicate, in writing, to management and the City's Audit and Finance Committee any significant deficiencies or material weaknesses in internal control (as defined in generally accepted auditing standards) that the Auditors identify during the audits, including those that were remediated during the audit.

The Auditors will also communicate certain matters to management and the City's Audit and Finance Committee, including the Auditors' responsibilities for testing and reporting on the City's internal control over financial reporting and on the City's compliance with certain provisions of laws, regulations, contracts or grant agreements, both for the financial statement audits and the OMB Uniform Guidance and UGMS audits.

The Auditors will communicate to management and the City's Audit and Finance Committee, the following matters, if any are identified during each of the audits: material noncompliance with provisions of laws, regulations, contracts or grant agreements related to major programs; certain known questioned costs; known fraud affecting federal and state awards; abuse that is material to a federal or state program; and other federal and state award audit findings as required by generally accepted government auditing standards, OMB Uniform Guidance, and the UGMS and the State of Texas Single Audit Circular.

The Auditor is not required to design procedures for the purpose of identifying other matters to communicate with the City's Audit and Finance Committee. However, Auditor will communicate to the City's Audit and Finance Committee matters required by the Auditing Standards, OMB Uniform Guidance and UGMS.

Auditors may communicate to management and the City's Audit and Finance Committee on internal control, compliance, or other matters Auditor has observed and possible ways to improve the Entity's operational efficiency and effectiveness or otherwise improve its internal control or other policies and procedures.

Exhibit G

Form of Audit Engagement Letter

City of Austin

Dear Sirs and Madams:

Deloitte & Touche LLP (“D&T” or “we” or “us” or “the Auditors”) is pleased to serve as independent auditors for the City of Austin (“the City”). Ms. Tracey Cooley will be responsible for the services that we perform for the City hereunder.

In addition to the audit services we are engaged to provide under this engagement letter, we would also be pleased to assist the City on issues as they arise throughout the year. Hence, we hope that you will call Ms. Cooley whenever you believe D&T can be of assistance.

We will perform this engagement subject to the terms and conditions set forth herein and in the Contract dated XXX between the City and D&T for Comprehensive Annual Financial Reports and Single Audit and Other Services (the “Contract”). Such terms and conditions shall be effective as of the date of the commencement of such services. The agreements and undertakings contained in this engagement letter and the Contract, which are intended by their nature or implication to survive the completion or termination of this engagement survive the completion or termination.

Audit of Financial Statements and Other Reporting

Auditors engagement is to perform an audit in accordance with (1) auditing standards generally accepted in the United States of America (“generally accepted auditing standards”) and (2) the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (“generally accepted government auditing standards”) (generally accepted auditing standards and generally accepted government auditing standards are collectively referred to herein as the “Auditing Standards”), (3) the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“OMB Uniform Guidance”) and (4) the State of Texas Uniform Grants Management Standards (“UGMS”). The objectives of an audit conducted in accordance with the Auditing Standards, OMB Uniform Guidance and UGMS are:

- To express an opinion on whether each opinion unit of the City’s basic financial statements, and the accompanying supplementary information, in relation to the basic financial statements as a whole, for the year ending September 30, XXXX (the “financial statements”) are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), and perform specified procedures on the required supplementary information for the year ending September 30, XXXX
- To express an opinion on whether the supplementary information that accompanies the financial statements, including the schedule of expenditures of federal and state awards, are fairly stated, in all material respects, in relation to the financial statements as a whole
- To report on the City’s internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ending September 30, XXXX based on an audit of financial statements performed in accordance with generally accepted government auditing standards
- To express an opinion on the City’s compliance with requirements applicable to each major program and on the City’s internal control over compliance in accordance with the OMB Uniform Guidance and UGMS.

Exhibit C to the Contract contains a description of the auditor’s responsibilities and the scope of an audit in accordance with the Auditing Standards, and OMB Uniform Guidance and UGMS.

Auditors' Reports

The Auditors expect to issue written reports upon the completion of its audit. The Auditors' ability to express any opinion or to issue any report as a result of this engagement and the wording thereof will, of course, be dependent on the facts and circumstances at the date of their reports. If, for any reason, the Auditors are unable to complete the audits or are unable to form or have not formed such opinions, the Auditors may decline to express any opinion or decline to issue any report as a result of each audit engagement. If the Auditors are unable to complete any audit or if any report to be issued by the Auditors as a result of this engagement requires modification, the reasons for this will be discussed with the City's Audit and Finance Committee and the City's management.

Management's Responsibilities

Exhibit D to the Contract describes management's responsibilities.

Responsibility of the City's Audit and Finance Committee

As independent auditors of the City, we acknowledge that the City's Audit and Finance Committee is directly responsible for the appointment, compensation, and oversight of our work, and accordingly, except as otherwise specifically noted, we will report directly to the City's Audit and Finance Committee. You have advised us that the services to be performed under this engagement letter and the Contract, including, where applicable, the use by D&T of affiliates or related entities, and the use by D&T of Montemayor & Associates P.C., as subcontractors in connection with this engagement, have been approved by the City's Audit and Finance Committee in accordance with the City's Audit and Finance Committee's established preapproval policies and procedures.

Communications With the Audit and Finance Committee

Exhibit F to the Contract describes various matters that we are required by the Auditing Standards, OMB Uniform Guidance and UGMS to communicate with the City's Audit and Finance Committee and management.

Fees

Exhibit A to the Contract outlines the fees related to this engagement.

Access to Working Papers by Regulators

Auditors may be requested or required by a regulator of the City, including but not limited to the Comptroller General of the United States, or representatives of the United States Government Accountability Office (GAO) (each, a "Regulator") to provide access to working papers related to this engagement. In the event of any such request or requirement, Auditors will notify the City prior to providing such access unless applicable law or regulation prohibits such notice. The working papers for this engagement are the property of Auditors and constitute Auditors' confidential information. Auditors may request confidential treatment of the working papers. Access to Auditors' working papers will be provided under the supervision of Auditors' personnel and upon request Auditors may provide copies of working papers to a Regulator. The City hereby consents, where consent is required, to Auditors providing access to working papers and copies thereof to a Regulator. The working papers related to this engagement will be retained by Auditors for a minimum of three years from the dates of the reports issued, or such longer period as required to satisfy legal and administrative requirements.

The Contractor recognizes that the City must comply with requests received under the Open Records Act. This section is not intended to place additional restrictions on the City to comply with such requests.

Inclusion of the Auditors' Reports or References to the Auditors' in Other Documents or Electronic Sites

If the City intends to publish or otherwise reproduce in any document any Auditors' report issued as a result of this engagement, or otherwise make reference to the Auditors in a document that contains other information in addition to the audited financial statements (e.g., in a periodic filing with a regulator, in a debt or equity offering circular, or in a private placement memorandum), thereby associating the Auditors with such document, the City agrees that its management will provide the Auditors with a draft of the document to read and obtain the Auditors' approval for the inclusion or incorporation by reference of the Auditors' report, or the reference to the Auditors, in such document before the document is printed and distributed. The inclusion or incorporation by reference of the Auditors' report in any such document would constitute the reissuance of the Auditors' report. The City also agrees that its management will notify the Auditors and obtain the Auditors' approval prior to including the Auditors' report on an electronic site. The Auditors' engagement to perform the services does not constitute agreement to be associated with any such documents published or reproduced by or on behalf of the City. Any request by the City to reissue the Auditors' report, to consent to its inclusion or incorporation by reference in an offering or other document, or to agree to its inclusion on an electronic site will be considered based on the facts and circumstances existing at the time of such request.

Notwithstanding the foregoing, the City may post any of the Auditors' report to the City's website after the Auditors agree to the inclusion of such report in the City's CAFR, provided that such website or any such electronic site is controlled by the City, is for informational purposes only, and is not associated to or referenced in an offering document in electronic form that contains other information in addition to the audited financial statements (e.g., a debt or equity offering circular, a private placement memorandum, or other similar offering), and, provided that the City's CAFR (the complete financial statements and related notes thereto for all periods to which the Auditors' report relates) and the Auditors' report included therein are reproduced in their entirety and that the City understands and agrees that the Auditors will not be associated with any other information contained on any such electronic site.

The Contractor recognizes that the City must comply with requests received under the Open Records Act. This section is not intended to place additional restrictions on the City to comply with such requests.

* * * * *

The parties acknowledge and agree that D&T is being engaged under this engagement letter to provide only services described herein and in the Contract. Should the City or the City's Audit and Finance Committee request, and should D&T agree to provide services (including audit services) beyond those described in the Contract and herein, such services will constitute a separate engagement and will be governed by a separate engagement letter.

This engagement letter and the Contract, including Exhibits A through F, attached thereto constitutes the entire agreement between the parties with respect to this engagement and supersedes any other prior or contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable and the services outlined are in accordance with your understanding, please sign the copy of this engagement letter in the space provided and return it to us.

Yours truly,

DELOITTE & TOUCHE LLP

Accepted and agreed to by City of Austin:

By: _____

Title: _____

DATE: _____

Exhibit H

Form of Agreed-Upon Procedures Engagement Letter

May 7, 2018

Diana Thomas, Controller
City of Austin -Controller's Office
124 W. 8th Street, 1st Floor
Austin, TX 78701

Dear Ms. Thomas:

This letter confirms the engagement of Deloitte & Touche LLP ("D&T" or "we" or "us") to perform certain agreed-upon procedures to assist [Blank Company] (the "City" or "you" or "your") in connection with the City's and [name of other specified parties, (e.g.: ABC Lender's)] [describe purpose, e.g.: evaluation of the City's compliance with the loan agreement between the City and ABC Lender dated [date] (the "Loan Agreement")].

This engagement to perform agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein and in the Contract dated XXX between the City and D&T for the Comprehensive Annual Financial Reports and Single Audit and Other Services (the "Contract"). The specific procedures that D&T is to perform are set forth in the accompanying Appendix A. These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the City and [name of other specified parties], as discussed below. In addition, these procedures may be changed or modified by mutual agreement between the City and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the City and, likewise, the City agrees to promptly notify D&T if modifications to the procedures are requested.

Acknowledgments and Agreements

The City specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion on the elements, accounts, or items of a financial statement. Therefore, D&T will not be in a position to express, and will not express, an opinion or any other form of assurance with respect to any matters (including, without limitation, of XXX [subject matter of the procedures])) as a result of performing the agreed-upon procedures.
- The agreed-upon procedures that D&T is to perform at the request of the City, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to [describe, e.g.: the Loan Agreement] that might be pertinent or necessary to the City's and [name of other specified parties]'s evaluation of [describe, e.g.: the City's compliance with the terms of the Loan Agreement]. Accordingly, the procedures should not be taken to supplant other inquiries and procedures that the City and [name of other specified parties] should undertake for the purpose described above.
- D&T's report will not extend to any financial statements of the City, taken as a whole, or its internal control for any date or period.
- The nature, timing and extent of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the City and [name of other specified parties]. Furthermore, D&T has no responsibility to advise the City or [name of other specified parties] of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the City or [name of other specified parties].

- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and D&T's engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T's engagement cannot be relied on to disclose errors, other than those errors that may be reported as findings in connection with the application of the agreed-upon procedures that D&T is to perform hereunder. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The City shall be solely responsible for the design and operation of effective internal control (including, without limitation, effective internal control over [identify the subject matter, e.g.: the City's compliance with the terms of the Loan Agreement]) and for complying with all applicable laws and regulations.
- The City shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by or on behalf of the City.
- Immediately prior to the completion of this engagement, D&T will request that the City's management provide D&T with a representation letter acknowledging management's responsibility for [identify the subject matter] and confirming certain representations made to D&T during this engagement.
- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the City or [name of other specified parties], including, without limitation, the failure of management to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from this engagement.
- The City agrees, to the extent not prohibited by law, to release D&T and its personnel from all claims, liabilities and expenses relating to our services under this engagement letter attributable to any misrepresentation by the City's management.
- Any report issued by D&T hereunder will not be used by or circulated, quoted, disclosed, or distributed to, nor will reference to such report or D&T's engagement hereunder be made to, anyone who is not a member of management or the Audit and Finance Committee or council of the City or [name of other specified parties]. D&T recognizes that the City must comply with requests received under the Open Records Act and this paragraph is not intended to place additional restrictions on the City to comply with such requests.
- "D&T" shall mean Deloitte & Touche LLP and its affiliates and subsidiaries; to the extent that they agree to provide any of the services under or in connection with this engagement letter, the member firms of Deloitte Touche Tohmatsu, and the affiliates of Deloitte & Touche LLP and such member firms; and, in all cases, any successor or permitted assignee.

Fees

Exhibit A to the Contract outlines the fees related to this engagement.

* * * * *

This engagement letter and the Contract, including Exhibit A attached hereto, constitutes the entire agreement between the parties with respect to this engagement and supersedes any other prior or contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable to you and the services described are in accordance with your understanding, please sign the copy of this engagement letter in the space provided and return it to us.

Yours truly,

DELOITTE & TOUCHE LLP [to be signed manually]

Accepted and agreed to by City of Austin

By: _____

Title: _____

Date: _____

EXHIBIT I

CHAPTER 2-11. - RECORDS MANAGEMENT.^[1]

§ 2-11-1 - DEFINITIONS.

- (A) Except as provided in subsection (B), words and phrases in this chapter have the same meaning they have in the Local Government Records Act.
- (B) In this chapter:
 - (1) CITY ARCHIVIST means the manager of the Austin History Center of the Austin Public Library acting under the direction and supervision of the director of the Library Department, or the equivalent position as may be established in the Library Department.
 - (2) COMMISSION means director and librarian of the Texas State Library and Archives Commission.
 - (3) DEPARTMENT means a City department, or the functional equivalent.
 - (4) DEPARTMENT DIRECTOR means the officer or employee who is in charge of a department.
 - (5) DIGITAL, when used in reference to a record, means the record is maintained in an electronic data format that requires an electronic device to create, store, access, retrieve, or read the record.
 - (6) EMPLOYEE means a person employed by the City.
 - (7) LOCAL GOVERNMENT RECORDS ACT means Title 6 (*Records*), Subtitle C (*Records Provisions Applying to More Than One Type of Local Government*), of the Texas Local Government Code, and includes the rules adopted by the commission under the Local Government Records Act.
 - (8) OFFICIAL means the mayor, a member of the city council, a municipal court judge (including a substitute judge), and a person appointed by the mayor or the city council to a City board, task force, or other City body.
 - (9) PHYSICAL, when used in reference to a record, means that the record is maintained in a tangible form, such as paper, photographic film, analog tape, or a similar medium.
 - (10) RECORD means a local government record of the City, and includes a digital record and a physical record.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-2 - PURPOSE; APPLICABILITY; COMPLIANCE.

- (A) This chapter implements the Local Government Records Act.
- (B) This chapter, the records management program, and the records control schedules apply to all records in whatever form the records exist, including all digital records and all physical records.
- (C) This chapter is cumulative of the Local Government Records Act.
- (D) Each City official and City employee shall comply with the records management program adopted under this chapter. The records management program is cumulative of this chapter and the Local Government Records Act.
- (E) A person does not comply with the records management program unless the person complies with this chapter and the Local Government Records Act.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-3 - RECORDS MANAGEMENT OFFICER.

- (A) The city clerk is the records management officer under Local Government Code, § 203.025 (*Designation of Records Management Officer*) for the City, and shall:
 - (1) develop, implement, and administer a City-wide records management program that complies with the Local Government Records Act;
 - (2) coordinate, and to the extent practicable, standardize records management practices among departments;
 - (3) serve on each director-level technology governance or oversight committee established by a City department; and
 - (4) prepare, review, and approve each new and amended records control schedule for each City department, and make necessary changes to the schedules at intervals set by the records management program;
 - (5) report annually to the council and the city manager on the implementation of the records management program in each City department;
 - (6) report to the city manager noncompliance with the records management program by a department director, City employee, or City contractor;
 - (7) report to the council noncompliance with the records management program by a City official;

- (8) appoint a city records manager to implement this chapter, subject to the direction of the city clerk;
 - (9) provide storage, retrieval, and destruction services of physical records no longer required to be kept in active office space and transferred to the records center;
 - (10) provide support for City-wide document and imaging management systems and services designed to manage digital records;
 - (11) establish a micrographics program for the preservation of permanent records not transferred to the Austin History Center;
 - (12) provide consulting services and training to departments and employees on the implementation of the records management program, records and information technology requirements, and other subjects related to records and information management;
 - (13) assist department records administrators to identify essential records and establish a disaster recovery plan for records.
- (B) Subject to the direction of the city clerk, the city records manager may perform a duty assigned by this chapter to the city clerk.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-4 - RECORDS MANAGEMENT COMMITTEE.

- (A) The members of the records management committee are:
- (1) the city clerk;
 - (2) city manager;
 - (3) the city records manager;
 - (4) the city archivist;
 - (5) the city auditor;
 - (6) the city attorney;
 - (7) the director of the Human Resources Department;
 - (8) the director of the Communications and Technology Management Department;
 - (9) the comptroller;
 - (10) the purchasing officer;

- (11) a departmental records administrator, appointed by the city manager, from an enterprise-fund department; and
- (12) a departmental records administrator, appointed by the city manager, from a general-fund department appointed by the city manager.
- (B) The city clerk is the chair of the records management committee. The city records manager is the secretary of the records management committee.
- (C) The records management committee shall:
 - (1) assist the city clerk in the development, implementation, and management of the records management program;
 - (2) to the extent practicable promote standard records management practices among departments;
 - (3) annually review the performance of the program;
 - (4) annually review City policies related to compliance with applicable law regarding the creation, storage, retention, destruction, disposition, security, or accessibility of City records;
 - (5) adopt necessary changes and improvements to City policies and to the records management program that are not inconsistent with this chapter;
 - (6) review each records control schedule submitted by the city clerk;
 - (7) recommend to the council amendments to this chapter as required; and
 - (8) support and promote the records management program.
- (D) The city clerk shall convene the committee at least twice each fiscal year. Six members of the committee are a quorum. An action of the committee requires a majority vote of the committee members present.
- (E) The records management committee is neither a governing body nor a City board, and is not subject to Chapter 2-1 (*City Boards*).

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-5 - RECORDS MANAGEMENT PROGRAM.

- (A) The city clerk shall submit the records management program to the city manager for approval. The records management program approved by the city manager is the City's records management program.
- (B) The records management program must:

- (1) comply with the Local Government Records Act;
- (2) to the extent practicable, standardize records management practices among City departments;
- (3) in cooperation with the commission, establish guidelines for the implementation of records control schedules;
- (4) establish training requirements for department records administrators and department records management team members;
- (5) establish guidelines for City information technology systems and services to ensure that the systems and services create, store, manage, protect, preserve, dispose of, and provide access to records in compliance with the records management program;
- (6) establish guidelines for the transfer of records when a function is transferred from one department to another department;
- (7) establish guidelines for the destruction of records, including the information that must be maintained in a destruction log;
- (8) establish procedures for the suspension of records destruction as allowed by Section 2-11-10 (*Destruction or Disposition of Records*);
- (9) improve the efficiency of record-keeping;
- (10) enable the city clerk to perform the duties prescribed by this chapter;
- (11) establish guidelines and eligibility criteria for transferring records to microfilm, or to an electronic or digital format, including guidelines for the disposition of records that have been transferred;
- (12) provide adequate protection of the essential records of the City, including a disaster recovery plan for records;
- (13) regulate the operations and use of the records center serving as the depository of inactive records with continuing value to the City, except records that have been transferred to the Austin History Center for preservation as historical records; and
- (14) establish guidelines to ensure the preservation of long-term or permanent physical and digital records of the city.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-6 - DUTIES OF A COUNCIL OFFICE.

- (A) A council member shall maintain a record created or received by the council office in compliance with the records management program.
- (B) A council member may designate the city clerk as records administrator for the council member's office.
- (C) Unless the city clerk is the records administrator for a council office, the council member must perform the duties of the records administrator as if the council office were a department, or appoint an employee of the council office to assume those duties.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-7 - DUTIES OF DEPARTMENT DIRECTORS.

- (A) Each department director shall cooperate with the city clerk to implement this chapter. A department director may not refuse to comply with the requirements of this chapter based on a City ordinance or policy relating to a duty, recordkeeping requirement, or other responsibility of the departmental director.
- (B) Each department director shall:
 - (1) document the services, programs, and duties that are the responsibilities of the director's department;
 - (2) maintain the department's records in accordance with the records management program;
 - (3) include records and information management requirements in department policies and procedures; and
 - (4) ensure that the department's records administrator and records management team have sufficient time and resources to implement the records management program.
- (C) Each department director shall appoint a senior level manager as the department's records administrator to oversee the implementation of the records management program in the department, and shall allocate resources to implement the program in the department. A department director may serve as the department's records administrator. Each department director shall notify the city clerk in writing of the appointment of the department's records administrator.
- (D)

Each department director whose department has more than one division or more than one physical location shall ensure that each division and location has an employee responsible for the implementation of the records management program in that division or location. The department director shall notify the city clerk in writing of the appointment of each responsible employee under this subsection.

- (E) A department director is responsible for compliance with this chapter for records created by a City board, commission, task force, or similar entity for which the department provides support.
- (F) A department director, official, or the official or employee in charge of an inter-departmental working group or committee, must consult the city clerk or the city records manager before recommending or implementing a change to records management or information technology that is reasonably likely to affect:
 - (1) compliance with the records management program; or
 - (2) the City's processes or capabilities relating to the creation, storage, retention, destruction, disposition, security, or accessibility of records.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-8 - DUTIES OF A DEPARTMENT RECORDS ADMINISTRATOR.

- (A) Each department's records administrator shall:
 - (1) cooperate with the city clerk to implement the records management program in the department;
 - (2) distribute information about the records management program to department employees;
 - (3) ensure that the creation, storage, retention, destruction, disposition, security, and accessibility of the department's records are in compliance with the department's records management program;
 - (4) implement the department records control schedule to ensure that records are retained for the approved retention period;
 - (5) transfer a physical record that is no longer required for the conduct of department business to the records center;
 - (6) identify essential records of the department and establish, implement, and maintain a records disaster recovery plan;

- (7) review the department records control schedule at intervals set by the city clerk to determine if the schedule reflects current department practices and complies with the records management program;
- (8) review each new information technology system or system enhancement to ensure that the new system or system enhancement addresses and complies with the records management program;
- (9) assist the city clerk in producing an annual report to the city manager on the implementation of the records management program in the department;
- (10) notify the city clerk within 24 hours of the discovery of any loss, theft, or damage to a department record.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-9 - THE DEPARTMENT RECORDS MANAGEMENT TEAM.

- (A) Each department shall have a records management team consisting of:
 - (1) the department's records administrator, who is the chair of the team;
 - (2) the city clerk's staff assigned to work with the department; and
 - (3) for a department that has more than one division or physical location:
 - (a) at least one employee, designated by the director, who is responsible for records management in a division in the department; and
 - (b) at least one employee, designated by the director, who is responsible for records management in a location of the department.
- (B) The records management team shall:
 - (1) meet at intervals set by the records management program;
 - (2) invite to each meeting the city clerk's staff assigned to work with the department;
 - (3) review the department records control schedules and records management practices at intervals set by the city clerk to determine if the schedules and practices comply with the records management program, and implement corrective action for program compliance;
 - (4) complete reports required by the city clerk; and
 - (5) complete training required by the records management program.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-10 - RECORDS CONTROL SCHEDULES.

- (A) The city clerk, in cooperation with each department director, shall prepare a records control schedule for each department that lists each record created or received by the department, the retention period for each type of record, and any other information needed to implement the records management program.
- (B) The length of a retention period, or a change in the length of a retention period, shall be determined by the city clerk after consultation with the records management committee. After considering any comments made by the records management committee the city clerk shall adopt each control schedule and each change to a control schedule.
- (C) The city clerk shall submit a records control schedule that requires commission review to the commission. If the commission does not accept a schedule for filing, the city clerk shall amend the schedule to make it acceptable for filing.
- (D) The city clerk shall maintain an official set of control schedules for the City. The control schedules maintained by the city clerk are the City's official control schedules, with which every department must comply.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-11 - DESTRUCTION OR DISPOSITION OF RECORDS.

- (A) When the retention period for a record has expired, the records administrator shall approve the destruction of the record unless:
 - (1) a request for the record under Chapter 552 (*Public Information Act*) of the Government Code is pending;
 - (2) the city attorney determines that the subject matter of the record is related to pending or anticipated litigation, or to an ongoing legal matter;
 - (3) the subject matter of the records is related to an ongoing audit, or an ongoing review by a governmental regulatory agency;
 - (4) a department director or records administrator requests the city clerk in writing, and states the reason, that the record be permitted to be retained for an additional period, and the request is approved in writing by the city clerk;
 - (5) the city archivist determines that the record is of historical value.
- (B)

The records administrator of each department shall record the destruction of records carried out under this chapter or another law and maintain a destruction log.

- (C) The city clerk may destroy a record that is obsolete or that is not identified on a records control schedule if:
 - (1) the destruction of the record has been approved by the records management committee; and
 - (2) the commission has approved a request for authorization to destroy the record.
- (D) A record approved for destruction under this chapter and state law may be destroyed by:
 - (1) the records administrator of the department that has custody of the record; or
 - (2) the city clerk.
- (E) Before an official or employee may destroy the original or source document of a record that has been transferred to microfilm or to an electronic or digital format, the employee or official must obtain written authorization from the city clerk.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-12 - RECORDS CENTER.

- (A) The city clerk shall maintain a records center that provides:
 - (1) storage of records no longer required to be kept in active office space;
 - (2) an information retrieval service for the benefit of City offices; and
 - (3) a method for destruction of a record in storage whose retention period has expired.
- (B) If a department record is no longer required in the conduct of current business the departmental records administrator shall promptly transfer the record to the records center, or if the retention period has expired, destroy the record as provided by this chapter.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-13 - MANAGEMENT OF DIGITAL RECORDS.

- (A) The creation, maintenance, preservation, and storage of a digital record, including the conversion of a physical record to a digital record, must comply with the records management program.
- (B) The city clerk shall review a department or inter-departmental plan to acquire or implement an information technology system or service that creates, stores, manages, protects, preserves, destroys, or provides access to digital records. If the system or service is inconsistent with the records management program the city clerk shall report the inconsistency to the appropriate director and the city manager.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-14 - RECORDS WITH HISTORICAL VALUE.

- (A) A records administrator, the city archivist, and the city clerk may agree to transfer custody of a record that has historical value to the Austin History Center. If a City record is transferred to the custody of the Austin History Center, ownership of the record remains with the City.
- (B) The Austin History Center is the custodian of a record belonging to a discontinued department that does not have a named successor.
- (C) The director of the Library Department shall establish guidelines for the preservation of records that are of historic value.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

§ 2-11-15 - OWNERSHIP OF CITY RECORDS.

- (A) A record is the sole property of the City. An official or employee has no personal property right to a record.
- (B) An official or employee may not:
 - (1) destroy, remove, or use a record except in the course of the official's or the employee's official duties;
 - (2) sell, loan, give away, destroy, or otherwise alienate a record from the City's custody except in compliance with this chapter or state or federal law.
- (C) The City may demand and receive from a person a City record in the person's possession, if the removal of the record was not authorized by law.
- (D)

A City official or employee shall, at the expiration of the official's or employee's term, appointment, or employment, deliver to the City all records in the official's or employee's possession.

- (E) A record received or created by a City contractor in fulfillment of the contract, except a record specifically relating only to the contractor's internal administration, is the property of the City. The contractor may not dispose of or destroy a record that is City property, and shall:
 - (1) maintain the record within compliance with this chapter; and
 - (2) deliver the record, in all requested formats and media, along with all finding aids and metadata, to the City at no cost:
 - (a) when requested by a director or an authorized City employee; and
 - (b) when the contract is completed or terminated.

Source: Ord. No. 20141120-015, Pt. 1, 12-1-14.

EXHIBIT J
CITY OF AUSTIN
TRAVEL POLICY AND PROCEDURE
FISCAL YEAR 2001-2002

CITY OF AUSTIN
TRAVEL POLICY AND PROCEDURE
FISCAL YEAR 2001-2002

Department of Financial and Administrative Services
Controller's Office

**CITY OF AUSTIN
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I. INTRODUCTION

A. **Purposes.** The purposes of this travel policy are as follows:

1. To establish clear, uniform policies and procedures for the reimbursement of travel costs incurred while on City business.
2. To clearly identify travel expenses eligible for payment by the City.
3. To account for and report properly for all travel-related expenses.

B. **Assumption.** This policy is based on the assumption that a travel policy should provide a reasonable level of reimbursement to the traveler while meeting the City's responsibility to taxpayers and rate payers.

C. **Official Policy.** This policy applies to official travel of all City of Austin employees and prospective employees, as well as to travel of all non-City personnel seeking reimbursement from the City, regardless of the funding sources for travel. Official travel is travel that is reasonable and necessary for the conduct of official City business.

II. RESPONSIBILITIES

A. **Employee Responsibilities.**

1. Ensure that a Travel Expense Claim is filed in accordance with this policy.
2. Be conservative in expenditures while traveling on City business, as if such costs were being paid by the employee personally. Exercise prudence in the selection of lodging, meals, and training.

B. **Department Responsibilities.** Departmental responsibilities are broad and include the following areas:

1. Make travel arrangements and accommodations so that total travel expenses are as low as possible.

There are often several ways to arrange travel and accommodations. Departments should ensure that these are made in such a way as to minimize total cost. Unusual arrangements, i.e. those that appear to violate this travel policy but in fact result in lower total travel expense, should be well documented by departments.

2. Implement and monitor approved departmental travel budget.
3. Establish adequate internal controls to provide reasonable assurance that instances of noncompliance with this travel policy are detected and resolved.
4. Report travel expenditures under the proper accounting codes and according to procedure.

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5. Authorize travel advances where necessary.
6. Review Travel Expense Claims to ensure compliance with this travel policy. All travel claims should also include the employee's conference/training and airline itineraries (if applicable).
7. Authorize reimbursement for properly completed Travel Expense Claims.
8. Submit travel advances and travel claims to the Controller's Office timely.
9. Arrange air travel in accordance with section IV.E.2. of this travel policy (see pp. 9 and 10). Authorize or dispute air travel charges in accordance with section IV.E.2.
10. Assure that duplicate travel claims are not submitted; assure that expenses claimed for reimbursement have not been paid directly by the City.
11. Ensure that the department as a whole complies with this policy; separate departmental policies that do not comply with this policy are not valid.
12. Within 24 hours, provide Financial Services with any travel-related information not reflected in the department's accounting records, in accordance with section VII.A. of this policy.
13. Electric Department – review and approve authorized Electric Department travel claims.

C. *Controller's Office Responsibilities.*

1. On a sample basis, review Travel Expense Claims for compliance with this policy.
2. Make payment for authorized travel advances and for reimbursement of authorized travel claims.
3. Provide periodic reports to the City Manager or Assistant City Managers of any travel-related problems identified. Furnish other information as requested.
4. Revise this travel policy annually or as needed.

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III. AUTHORITY TO TRAVEL

Authorization. All travel by employees, prospective employees, and board and commission members shall be authorized and approved by the department director or director's designee. Travel by department directors, Assistant City Managers, the City Manager, and Council Members need not be authorized beforehand but is subject to the provisions of this travel policy and to review for compliance with the policy.

IV. EXPENSES ELIGIBLE FOR REIMBURSEMENT

- A. **Information.** To assist employees in identifying allowable travel costs, departments may want to provide employees with pages four through eight prior to their traveling.

For information on allowable meal or lodging costs, contact the Controller's Office, Cost Accounting Section, 499-3495.

- B. **Summary.** Pages four and five contain summaries of costs that are eligible for reimbursement. Detailed information about the eligible costs follows the summaries.

Page six describes expenses that are non-reimbursable.

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*Receipts are Required for the Expenses on this Page
For More Details See Page Number Shown in Right-hand Margin*

<u>Description</u>	<u>Amount (1) Reimbursed</u>	<u>Page</u>
<i>Lodging</i> (including taxes) (2):		6-7
Cities listed in Runzheimer Index	RI average	
Cities <i>not</i> listed in Runzheimer Index	RI average (5)	
<i>Meals</i> (including tip):		7-8
Cities listed in Runzheimer Index	RI average	
Cities <i>not</i> listed in Runzheimer Index	RI average (5)	
<i>Or</i> use per diem (no receipts required) -	See list	5,7,8
<i>Transportation:</i>		8-10
Airline (3)	Coach	
Car rental, gas	Actual	
City Vehicle, gas, repairs	Actual	
Taxi/limousine	Actual	
Parking/Toll	Actual	
<i>Training Seminars/Conferences:</i>		10-11
Registration (6)	Actual	
Books, supplies	Actual	
<i>Other:</i>		10-11
Business calls	Actual	
Personal calls (1 arrival, 1 departure)	\$5 each (max.)	
Traveler's Checks (4)	Actual	
Tips other than meals (7)	Actual, inc. per diem	
Cleaning and laundry (7)	Actual, inc. per diem	
Client Entertainment	RI average	

NOTE:

- (1) Reimbursement is for actual costs, limited by the amounts or guidelines noted.
- (2) Request lowest rate (governmental, corporate or other) for hotels.
- (3) Attempt to book ahead to obtain lower fares if appropriate. See section IV.E.2. for procedures on booking air travel. Attach itinerary to travel claim, including airfare prepaid by the City.
- (4) Reimbursement is for checks covering actual expenses only.
- (5) Use closest and/or most comparable city listed in Runzheimer.
- (6) Attach itinerary to travel claim confirming dates and name of conference hotel.
- (7) Costs are included in per diem rate as incidental expense

Other: Review the policy for additional information.

RI = Runzheimer Meal and Lodging Index. Contact Controller's Office for Runzheimer amounts

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*Receipts not Required for the Expenses on this Page
For More Details See Page Shown in Right-Hand Margin*

<u>Description</u>	<u>Amount Reimbursed</u>	<u>Page</u>
<i>Meals</i> (1): Includes incidental expenses: tips, laundry See attached schedule to determine applicable rate. If destination is not listed on schedule, use the standard rate of \$ 30	The standard meal allowance is \$ 30 per day for most areas in the U.S. Other locations in the United States are desig- nated as high cost areas, qualifying for higher stand- ard meal allowances	7-8
<i>Transportation:</i> Personal vehicle: no car allowance	IRS rate, as listed in the budget manual or as amended by Controller's Office, or departmental approved rate (if lower than IRS rate)	10
car allowance	.15/mile	

NOTE:

- (1) For each trip, choose reimbursement for meals based on either actual costs (with receipts) or per diem. Travelers may not choose per-diem reimbursement for some days/meals of a trip and receipt-based reimbursement for others. See pages 7 and 8 for more information.

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Personal travel expenses which are not reimbursable include, but are not limited to, the following:

1. Loss of funds or personal property.
2. Entertainment expenses, including the cost of alcoholic beverages, or the cost of movie rental expense.
3. Transportation - taxi fare, parking, toll fees or mileage - to and from entertainment and restaurants.
4. Flight or trip insurance.
5. Laundry/dry-cleaning costs (if per diem rates are used).
6. Excess baggage charge for personal belongings.
7. Gasoline or repair costs for privately owned vehicles.
8. Cost of meals in excess of the allowed amount.
9. Cost of lodging in excess of the allowed amount.
10. Excessive mileage reimbursement (mileage incurred for personal reasons - see section IV.E.3.).
11. Unauthorized expenses for car rental.
12. Unauthorized registration fees.

Expenses will be reimbursed based on the following guidelines:

C. Lodging.

1. ***Reimbursable Amounts.*** Lodging receipts are required. Reimbursement is based on the actual costs (including hotel-motel occupancy tax).

For cities that are included in the Runzheimer Index, reimbursement will be limited to the Runzheimer average, with one exception as noted below. For cities not included in the Runzheimer Index, use the closest and/or most comparable city listed. ***However***, if an employee attends a conference or seminar and the conference hotel rate exceeds the Runzheimer Index, the rate of the conference hotel will be reimbursed. Note that the City is ***not exempt*** from the hotel-motel occupancy tax. Include the tax in hotel payments.

2. ***Room Rate.*** Reservations should be made at the lowest rate possible. In most cases, this will be the "governmental rate." However, in some instances a "corporate rate" or other rate will be lower.

Be prepared to provide the hotel with some form of identification, such as a City identification card, to indicate official travel status for the City.

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3. **Other.** If a guest accompanies a claimant, obtain the single occupancy rate and note it on the lodging bill. In no case will the City pay more than the (lowest) single occupancy rate when only one employee on business occupies the room.

Lodging provided by family/friends is non-reimbursable. Meals, groceries, or gifts for people providing lodging to City employees is non-reimbursable by the City.

Other lodging costs (e.g. motor home parking) will be reimbursed on an actual basis provided they do not exceed comparable costs that would have been incurred under other, more usual lodging arrangements.

D. Meals.

1. **Introduction.** Travelers may elect to be reimbursed for meal costs under one of two methods: (1) a per-diem method (no receipts are required) or (2) based on actual costs up to the Runzheimer Index average amount (receipts must be provided). Meals provided at no cost to the traveler, e.g. those provided by friends, family, or seminars, are not eligible for per-diem reimbursement. See section IV.D.2 below for a discussion of the per diem reimbursement method and IV.D.3. below for a discussion of the actual-cost (receipt-based) method. Methods of reimbursement may not be mixed during any one trip or day. A traveler may not choose per-diem reimbursement for some days/meals of a trip and receipt-based reimbursement for others.
2. **Per Diem Meal Costs and Incidental Expenses.** Under the per-diem method, travelers will be reimbursed an amount in accordance with IRS Publication 1542. The publication establishes a per diem amount for meals and incidental expenses based on the travel destination. The five per diem rates are as follows:

(1) Per diem rate	Rates per Meal		
	Breakfast	Lunch	Dinner
\$30.00 (2)	\$6.50	\$8.50	\$15.00
\$34.00	\$7.50	\$9.50	\$17.00
\$38.00	\$8.50	\$10.50	\$19.00
\$42.00	\$9.50	\$11.50	\$21.00
\$46.00	\$10.50	\$12.50	\$23.00

- (1) See attached schedule to determine applicable rate. Use
Standard Rate if trip destination not listed
- (2) Standard Rate

Partial per diems will be paid if some meals are not eligible for reimbursement. Meals are ineligible for reimbursement under conditions described in section IV.D.3. In addition, meals provided at no cost to the traveler, e.g. those provided by friends, family, or seminars, are not eligible for per diem reimbursement.

If reimbursement is on a per-diem basis, any costs incurred by the traveler exceeding the per-diem reimbursement allowance will be considered personal expenses.

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3. ***Reimbursable Meal Costs - Actual-Cost Method.*** Rather than being reimbursed on a per-diem method, travelers may elect to be reimbursed for meals based on the Runzheimer Index. Reimbursement for meals under this method is allowed for actual costs paid, including tips, and limited to the Runzheimer Index average amount. Costs exceeding the Runzheimer Index average are considered personal expenses.

Call the Controller's Office for meal reimbursement amounts for cities not listed in Runzheimer.

4. ***Meals Eligible for Reimbursement.*** The time of departure from or arrival in Austin determines the meals eligible for reimbursement, according to the following schedule (assuming the claimant is based in Austin):

<u><i>Leave from Austin</i></u>	<u><i>Allowed</i></u>
Before 7 a.m.	Breakfast
Before 11 a.m.	Lunch
Before 6 p.m.	Dinner
<u><i>Arrive in Austin</i></u>	<u><i>Allowed</i></u>
After 9 a.m.	Breakfast
After 1 p.m.	Lunch
After 7 p.m.	Dinner

5. Other meal costs (e.g. grocery costs) will be reimbursed on an actual basis provided they do not exceed comparable costs that would have been incurred under other, more usual meal arrangements.
- E. ***Transportation.*** Reimbursement of transportation costs will be based on the most economical and practical mode of transportation for the City, cost and other factors considered. The determination of the most economical method is not made on the basis of personal preference or minor inconvenience to the traveler resulting from common carrier scheduling. See Section VI for additional information.
1. ***Air Transportation.*** Use coach-class accommodations. First-class accommodations may be allowed only under unusual circumstances or emergency situations, such as:

- a. the only regularly scheduled flights between points are first-class flights, or
- b. space is not available in coach-class accommodations on any scheduled flight in time to accomplish the purpose of the official travel, which is so urgent that it cannot be postponed.

The claimant must submit with the travel report a written explanation of the circumstances which resulted in non-coach airfare. The explanation must be approved by the department director or designee.

When arranging air travel, departments may want to avoid fare restrictions that limit flexibility. Some fares may not allow for refunds, transfers, changes, or cancellations. However, if there is little likelihood that travel arrangements will change, airfare should be booked as early as possible and all discounts should be pursued.

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Frequent-flyer miles or other bonuses provided to the traveler for travel on City business are City property. Departments are responsible for maintaining a current inventory of such bonuses and for insuring that they are used for City business.

Two-for-one tickets are to be used only when both parties are City employees and both parties are on official City business. Airline tickets purchased for non-City employees should not be charged to the City's charge account. These tickets are to be paid for directly by the employee or the non-City employee traveling companion

2. ***Procedures for Booking Air Travel.*** Airfares may be purchased either through a travel agency or directly from an airline.

If purchasing airfare through a travel agency, use the following procedures:

- a. Authorized departmental personnel call the travel agencies to arrange the flight(s) and provide the agency with the American Airlines travel card account number. Each department has (1) authorized person who will have this information. Any individual who calls to make a reservation must have the travel card account number.
- b. Individuals are not to charge airline tickets to their personal credit card. You must go through the authorized person in your department or use the American Airlines travel card account number to make your reservations.
- c. Each department will receive a monthly statement directly from American Airlines. Charges on this statement will belong only to that specific department.
- d. Departments have (2) weeks to verify all charges then prepare a payment document for the total amount of the statement. These statements must be paid in full. Contact Accounts Payable for a list of procedures on preparing these documents.
- e. Each department will be responsible for tracking their own frequent flier miles. Individuals are not permitted to accumulate frequent flier miles for personal use.

Tickets purchased directly from airlines by an employee should be reimbursed to the employee (or paid for with a travel advance as outlined in Section IX) through the filing of a Travel Expense Claim. The employee must attach the original passenger coupon of the airfare ticket to the Travel Expense Claim.

3. ***Personal Vehicle.*** A claimant may be reimbursed for the use of a privately owned vehicle while on official travel only. Reimbursement for transportation shall be made at the IRS rate, as listed in the budget manual for cost estimating purposes, or as amended by Controller's Office, or departmental approved rate (if lower than IRS rate).
- a. ***Car Allowance Limits.*** Recipients of an executive car allowance are eligible for mileage reimbursement at the rate of 15 cents per mile driven on official business, if the trip has a destination outside the employee's service area (Travis and surrounding counties).

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- b. ***Other Limits.*** Claimants should limit claims for mileage reimbursement in situations in which claimants can reasonably travel together. When two to three claimants are aware that they have the same itinerary on the same dates and are traveling on the same City business for which mileage in a personal car is claimed, payment should be claimed and allowed for only one of the claimants.
 - c. ***Other Costs.*** No other expenses or costs of operating a personally owned automobile are allowed, other than for cost of parking fees or toll charges.
- 4. ***Rental Vehicle.*** Rental of a vehicle is authorized when it is more practicable and/or less expensive than the use of taxi cabs or other public transportation for official business. The cost of gas for the rental car is reimbursable. Receipts are required.
 - 5. ***City Vehicle.*** A City-furnished automobile should be used whenever it is reasonably available and a car is required for official travel.

Get a credit card from the Fleet Management Division of the Financial Services Department for purchases of fuel and minor repairs. Fill the fuel tank at one of the City service centers prior to departure. Use self-service facilities for purchase of fuel outside of Austin. Return the credit card and fuel purchase receipts to Fleet Management.

- F. ***Other Expenses Eligible for Reimbursement.*** Other expenses for which a claimant may be reimbursed are listed below. When making purchases with a City of Austin credit card or purchase order, claimants should use the City tax identification number ([REDACTED]) while on travel status in Texas, so as to not pay sales tax on purchases. The number is printed on the travel pamphlet for easy reference. A vendor should contact the Controller's Office, 499-2599, if a tax-exempt certificate is required.
- 1. ***Receipts required.*** Expenses included as part of a registration fee (e.g. meals, lodging, etc.) are not additionally reimbursable as separate items.
 - a. ***Training Seminars and Conferences.*** The receipt shall include the agenda or program identifying all activities that are included in the registration fee.
 - b. ***Books and Supplies.*** These expenses are reimbursable only if necessary and related to City business. The items are City property.
 - c. ***Taxi/Limousine Service in Other Cities.*** Related to approved travel for business purposes. Transportation to/from entertainment and restaurants is not reimbursable.
 - d. ***Repair of City Vehicles.*** Repair costs for City vehicles (parts, labor and towing charges) should be approved by the Fleet Management Division of Public Works in advance, where circumstances allow.
 - e. ***Telephone/Telegraph.*** Business calls charged to lodging bills or credit cards will be recognized as a reasonable expense.

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Personal calls (one arrival and one departure call) may be reimbursed for the actual costs, up to a **maximum of \$5 for each call (for any one call)**.

- f. *Parking*. Actual costs for parking is reimbursable with receipts.
- g. *Freight charges* to ship City equipment or materials.
- h. *Travelers' Checks*. The cost of travelers' checks will be reimbursed with receipts, up to the amount of travel expense incurred and paid as cash outlay by the employee. Expenses incurred for travelers' checks above this limit will be considered a personal expense to the traveler.
- i. *Laundry/dry-cleaning costs* incurred in the first week of travel (these are reimbursable after four days on continuous travel status but only for trips totaling eight days or more on continuous travel status). If using a per diem reimbursement, these costs are included in the rate.
- j. *Client entertainment*. Related to official City business. Receipt should include name of client and their place of employment.

V. NON-REIMBURSABLE EXPENSES

See page 6.

VI. PERSONAL TRIPS MADE IN CONJUNCTION WITH BUSINESS TRIPS

- A. *Reimbursable Amounts*. If a claimant travels to another city on personal business during the course of a business trip, the base cost that would have been incurred had the individual gone directly to the business destination should be documented by the claimant. The base amount will be the amount of the reimbursable expense. In addition, in combining personal and business travel, the claimant must charge as vacation time the extra travel time associated with the vacation.
- B. *Transportation Specials*. Two-for-one tickets are to be used only when both parties are City employees and both parties are on official City business. Airline tickets purchased for non-City employees should not be charged to the City's charge account. These tickets are to be paid for directly by the employee or the non-City employee traveling companion.

VII. ACCOUNTING FOR TRAVEL EXPENSES

- A. *General*. Each department is **solely** responsible for ensuring that information on its current-year and prior-year travel expense is readily available for dissemination or analysis. Financial Services will respond to any requests for information on travel expense by using standard AFS2 system reports; each department should therefore either: (1) ensure that all entries to the travel account codes against its budget are appropriate, complete, and up to date (as discussed below in section VII.B.), or (2) be prepared to provide complete information on its current and prior-year travel expense to Financial Services within one day of such a request.

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- B. ***Travel Account Codes.*** There are four objects or account codes that should be used to record travel expense. These are discussed in detail below.

1. ***6501 - Travel City Business.***

Use this object to record all travel expense incurred by City employees, Council Members, and board and commission members *except* for travel expense incurred in going to and returning from training and seminars or conferences whose purpose is mostly educational.

The cost of meals, lodging, transportation, and other expenses incurred while on City business (except for training and seminars or conferences as described in the paragraph immediately above) should be recorded in this object.

Reimbursement for mileage incurred while on travel status (outside of Travis and surrounding counties) and for the purpose of conducting City business (except for training) should be recorded in this object. Nothing else should be recorded in this object. Do not record seminar fees, conference fees, or training costs in this object (use object 6531, "Seminar/Training Fees" instead).

2. ***6520 - Employee Recruiting.***

Use this object to record travel expense (meals, lodging, transportation) for prospective employees only. This object may also be used to record meal costs for City staff incurred during recruitment.

Nothing else should be recorded in this object.

3. ***6532 - Educational Travel.***

Use this object to record travel expenses (meals, lodging, transportation, etc.) incurred in traveling to and from training and seminars or conferences whose purpose is mainly educational and whose duration is less than two weeks and to record expenses incurred while attending such training, seminars, or conferences (except as noted immediately below).

Do not record training, seminar, or conference fees themselves with this object; these should be recorded in object 6531, "Seminar/Training Fees".

Do not record travel costs incurred in traveling to and from training that lasts for more than two weeks or in attending training sessions of longer than two weeks. These costs should be recorded in object 6533 (see discussion immediately below).

Do not record anything else in this object.

4. ***6533 - Extended Educational Travel.***

Use this object to record travel costs incurred in traveling to and from training that lasts longer than two weeks and costs incurred while attending such training. This object should normally be used only by Police Department and Fire Department employees.

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Do not record the costs of the training sessions themselves in this object. Use object 6531, "Seminar/Training Fees" instead.

5, Other Account Codes

Do not use object 6500, "Travel Claims Outstanding" for any reason. Travel advances should be posted against balance sheet account 5350 in fund 7990.

Do not use object 6531, "Seminar/Training Fees" for recording travel-related expenses of any kind. This object should be used only to record the actual costs of seminar fees, not any travel expenses incurred in going to or returning from seminars.

Do not use object 6551, "Mileage Reimbursements - Local", for recording mileage expense incurred while traveling outside of an employee's normal service area. Object 6551 should be used only for reimbursement of mileage in Travis and surrounding counties.

- C. ***Accounting Description.*** As discussed in section A above, the Controller's Office will use standard AFS2 system reports for reporting and analysis of travel expenditures. Departments should therefore use the following conventions when filling out payments documents (PV-Qs), JVs, or any other accounting document that records, adjusts, or corrects travel expense. This applies to reimbursement on a Travel Expense Claim, to direct payments made to airlines, hotels, etc.

Fill out the description field of the accounting document (27 characters) as follows, with a space between each item:

<u><i>Item</i></u>	<u><i>Example</i></u>
Last name, first name initial	Smith,J
Destination (first if multiple)	Dallas
Purpose	Trng.

The first two items, name and destination, are mandatory. The third item, purpose, is optional. Use abbreviations if necessary. The invoice date on all payment documents should be the date of departure.

VIII. TRAVEL EXPENSE CLAIMS

- A. ***Travel Expense Claim.*** This claim is a two-page form; page one has summary information on the first side, with Schedules A, B, and C on the second side. Schedule D is a separate page; it should be used by travelers requesting reimbursement on an actual-cost basis (receipts required). Note that it does not have to be completed and attached if no reimbursement for meals is requested or if meal reimbursement is requested on a per-diem basis. The Travel Expense Claim has two uses:

1. To itemize and report in one location all the reimbursable expenses incurred by a traveler.
2. To pay the traveler any amounts owed or document the amount of refund due to the City. With a PV-Q sticker and an authorized signature, the form may be used as a PV-Q payment document.

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Departments are responsible for ensuring that all Travel Expense Claims submitted to the Controller's Office are properly filled out and authorized, and that all expenses incurred by the traveler are appropriately reported on the claim and are adequately supported by documentation. They are also responsible for ensuring that claims are filed timely.

Departments should ensure that expenses claimed by an employee, e.g. airfare, have not been paid directly by the City. Verification may be required.

The Travel Expense Claim form will not be stocked. Departments may request a copy of the form from the Controller's Office; they should make photocopies of the form for their use.

- B. ***File Request Promptly.*** Within 20 working days after the completion of the trip, the claimant will submit to the Controller's Office a properly completed Travel Expense Claim. Note that the Travel Expense Claim can be hand-written (if legible). Typewritten forms are not required.

The claimant must do the following when requesting reimbursement:

1. Itemize all reimbursable expenses incurred. Do not include any expenses for which reimbursement is not sought. Do not include any expenses that have been paid directly by the City; do not include any personal expenses.
2. Attach required original invoices or other receipts. Indicate type of payment made (cash, personal check, credit card, etc). Copies of credit card tickets or statements or personal checks (front and back) are also acceptable. Any amounts included in the invoices or receipts that are personal expenses should be so noted on the invoices or receipts; the claimant should initial any amounts so noted.
3. Fill out all applicable sections of the claim appropriately and timely. Submit timely to department for review.

- C. ***Amount Due City.*** Within 20 days of returning from the trip, submit payment by cash or check for any amount owed to the City (see Section IX for information on travel advances). Deposit it using the normal cash deposit procedures with the appropriate City cashier. Do not send cash or checks to the Controller's Office attached to the Travel Expense Claim. The account coding for the Cash Receipt document will be as follows:

Fund	7990
Balance Sheet Account	5350

Submit with the Travel Expense Claim a copy of the validated Cash Receipt document for any amount repaid by the claimant to the City. Excess advance amounts must be returned and documented (copy of the cash receipt) upon submission of the travel claim to the Controller's Office.

- D. 1. ***Amount Due Claimant - Payment Document.*** As discussed in section A above, the department can use the Travel Expense Claim form as a payment document by attaching a PV-Q sticker (questions

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regarding this should be addressed to Accounts Payable: 499-2599), or by submitting, at the same time the Travel Expense Claim is submitted, a properly authorized PV-Q for the amount to be paid to the claimant. Departments should keep photocopies of all travel documents, particularly copies of Travel Expense Claims with PV-Q stickers, since there is no carbon for these documents.

2. ***Amount Due Claimant - Petty Cash Reimbursement.*** Reimbursement by Petty Cash is also allowed, up to a maximum of \$150 for each trip. Travelers seeking reimbursement from petty cash should follow the same procedures outlined above in sections A - C. The first page of the travel expense claim (that shows the amount due the claimant) should have "Petty Cash" written in the bottom left-hand corner indicating the reimbursement will be through petty cash rather than with a payment voucher. The travel expense claim, along with receipts and all other supporting documentation should be submitted with the petty cash when seeking reimbursement. The accounting line on the payment document that reimburses the petty cash drawer should follow the same description conventions discussed in section VII.C.

Departments that reimburse travel expenses frequently through petty cash may want to consider reimbursing petty cash for travel expenses on a separate PV-Q. This will allow for better tracking of their travel expenses on the accounting system.

- E. ***Review Claim.*** The Controller's Office will process the properly completed Travel Expense Claim and payment document within five days. The Controller's Office will review the claim for reasonableness of the account coding. Compliance reviews of claims will be done on a sample basis, with results communicated periodically to the City Manager or Assistant City Managers.

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IX. TRAVEL ADVANCES

- A. ***Optional Advance.*** A travel advance is an option available to an employee on travel status who will have out-of-pocket cash expenses.

If an advance is taken, a completed travel claim must be filed within 60 days from the return of the business trip. If this condition is not met, the advance amount will be treated as income to the employee and no adjustment can be made when it is returned.

Advances for less than \$150 should be handled through petty cash, preferably on a unique payment document. The original or a copy of the Request for Travel Authorization and Advance form (see section B below) should be submitted as documentation when petty cash is reimbursed. The maximum amount that may be advanced is the total of cash expenses paid by the employee while on travel status.

Note that a travel advance is a payment made directly to the employee for anticipated expenses that he will pay directly from his pocket. It is not a payment made by the City, for example to a travel agency, hotel, or seminar on behalf of the employee.

Employees who have travel advances outstanding (who have not filed a Travel Expense Claim) are not eligible for additional advances. See Section VII for procedures on filing a Travel Expense Claim.

- B. ***Request for Travel Advance.*** Employees requesting an advance should submit a completed, signed Request for Travel Authorization and Travel Advance to the appropriate person(s) in their department for preparation and approval of a PV-Q payment document.

Departments may also use their own travel advance forms provided they contain the following information:

traveling employee's name and signature or initials, destination, dates and purpose of travel, and itemization of estimated costs to be covered by the advance.

Departments wishing to use their own Request for Travel Authorization and Travel Advance forms should submit their own forms to the Controller's Office for approval (must be approved by the Controller or a Deputy Controller). The Travel Advance form is available on diskette from the Controller's Office.

The Controller's Office form and any other authorized departmental variations will constitute an Agreement between the City and the employee. The employee's signature on the Agreement authorizes the Controller's Office to withhold subsequent advances until the employee satisfies the requirements of the agreement, i.e. timely submission of the properly authorized Travel Reimbursement Request or the repayment of the advance. The signature on the payment document (or on the form itself if the form is to be used as a payment document - see below) evidences departmental approval for the advance.

Like the Travel Expense Claim form, an authorized "Request for Travel Authorization and Advance" may also be used as a payment document with a PV-Q sticker attached. Otherwise, a copy (e.g. a photocopy) of the Request or facsimile should be attached to a PV-Q submitted by the department. Any PV-Qs that do not have a properly completed (and authorized as discussed above) "Request for Travel Authorization and Travel Advance" attached as backup will be returned to the submitting department.

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- C. **Payment Document.** Department affixes a PV-Q sticker to the Request form (or alternatively prepares a PV-Q with the Request attached) and submits the properly authorized document to the Controller's Office for the travel advance. Submit the document to the Controller's Office no more than ten and no fewer than five working days prior to the trip.

Manual checks will not be issued, unless the trip is of an emergency nature, i.e. the event requiring the travel was not scheduled. If the trip is of an emergency nature and an advance is necessary, the completed documents must be submitted to the Controller's Office. The request for an emergency check must be directed to the Accounts Payable Manager or to a Deputy Controller. ***DELAY IN SUBMITTING THE ADVANCE REQUEST IS NOT CONSIDERED AN EMERGENCY.***

- D. **Return Advance.** The claimant must return an advance timely:

1. **Excess Advance.** Any unspent advance amount must be returned to the department within ten working days. See section IX.A. for additional information.
2. **Canceled Trip.** If the trip is canceled, the advance check must be returned immediately by the employee to the department. The department should void the check by clearly marking "VOID" on the check in ink and should return it to the Controller's Office within five working days. The check should not be held for later use. It should not be deposited in the bank with a Cash Receipt document.

- E. **Past Due Advances.** If a Travel Expense Claim for an advance is not received in the Controller's Office within 20 working days, the Controller's Office may notify the employee that no further advances will be made until a Travel Expense Claim is submitted. In addition, if an advance meets the criteria as stipulated in Section IX.A. of the Travel Policy, it may be included in the employee's taxable wages. The Controller's Office may refer further delinquent advances to the City's Claims Office.

X. DEFINITIONS

Terms used in this policy are defined as follows:

Authorized Signature. Signature of an employee of a department designated to approve Travel Expense Claims submitted by that department. Should be on file with the Department of Financial Services as an authorized signature for accounts payable documents.

Claimant. Employee, prospective employee, or other authorized person submitting a claim for reimbursement of expenses actually incurred, and/or for payments to third parties on his/her behalf while on travel status.

Employee. Person employed by the City, whether part-time or full-time, temporary or permanent.

Third Party Payments. Payments made directly by the City to outside vendors. Includes professional organizations, travel agencies, hotels, etc.

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CITY OF AUSTIN LGFS PAYMENT VOUCHER TRAVEL EXPENSE CLAIM						PLACE PREPRINTED P1 LABEL HERE If no payment is due to the claimant, do not attach P1-N label.								
P1 DATE														
SCHD.PYMT.					PULL CHECK									
DATE					FOR PICKUP									
VEND.CODE							EMPLOYEE INFORMATION							
EMPLOYEE NAME							DEPT							
ADDRESS1							DIVISION							
ADDRESS2							DOCUMENT TOTAL \$							
CITY/ST														
ZIP														
ACCOUNT CODES AND AMOUNT FOR REIMBURSEMENT - SEE "AMOUNT DUE CLAIMANT" BELOW														
LN	CD	REF NUMBER/LN		CM#	VI NUMBER/LN		INV DATE	DESCRIPTION						
FUND	AGCY	ORGN/SUB	ACTV	FUNC	OBJ/SUB	REV/SUB	JOB NO.	RCAT	BS ACCT					
DISC TY	LINE AMOUNT		I/D	P/F										
01														
02														
ACCOUNT CODES, AMOUNTS TO CHARGE TOTAL TRAVEL COSTS TO BUDGET LINES. SEE "TOTAL AMOUNT CLAIMED" BELOW.														
FUND	AGCY	ORGN/SUB	ACTV	FUNC	OBJ/REV	S/O	BS ACCT	WORKORDER	RCAT	AMOUNT				
03														
04														
COSTS PAID BY CLAIMANT (NOT PAID BY CITY)							TRIP DESTINATION:							
Description	Notes		Amount											
Lodging	Schedule A													
Meals	Schedule B or D; not both													
Registration	Attach receipt													
Airfare, railfare	Attach receipt													
Rental car	Attach receipt													
Rental car gas, oil	Attach receipt													
City car gas, repairs	Attach receipt													
Personal car mileage	Schedule C													
Taxi, shuttle, metro	Attach receipt													
Parking	Attach receipt													
Phone	Receipt required													
Tips other than meals	Attach receipt													
Other - list separately	Receipt required													
TOTAL AMOUNT CLAIMED	Must match total of lines 01, 02 above													
LESS ADVANCE BY CITY	List P1-N or MW ref. no.:													
AMOUNT DUE CITY	Attach copy of Cash Receipt doc.													
AMOUNT DUE CLAIMANT	Must match total of P1-N lines 01, 02 above													
PURPOSE OF TRAVEL, OTHER CITY EMPLOYEES WHO TRAVELED IN SAME VEHICLE.							THE STATE OF TEXAS, COUNTY OF TRAVIS. I do solemnly swear that the expense account rendered totaling \$_____ is true, correct, justly due and unpaid and that all just and lawful offsets, payments and credits have been made, and that the expenditures are reasonable and necessary and have been paid by me.							
CLAIMANT SIGNATURE:							DEPARTMENTAL VERIFICATION - SIGNATURE & DATE							
DEPARTMENTAL APPROVAL - SIGNATURE & DATE							FSD REVIEW - SIGNATURE & DATE							

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[illegible]

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CITY OF AUSTIN TRAVEL EXPENSE CLAIM SCHEDULE D - MEAL COSTS REIMBURSEMENT BASED ON ACTUAL COSTS					EMPLOYEE NAME			
Use Schedule D for reimbursement for actual meal costs. Receipts are required. Do NOT use both Schedule D and B for the same trip. Complete the information requested below. The amount "Allowable Each Day" is the lower of these amounts for each meal: (1) the Runzheimer Average or (2) the actual costs. Enter the "Total Allowable Meal Costs" on the Travel Expense Claim.					DEPT			
					DATE OF TRAVEL			
					Employee Signature			
					DEPT Review			
DATE	CITY	(1) RUNZHEIMER AVERAGE			(2) ACTUAL COSTS			ALLOWABLE EACH DAY
		BREAKF.	LUNCH	DINNER	BREAKF.	LUNCH	DINNER	
01/10/92	EX: Austin, Tx	7.75	7.75	* 18.80	* 5.65	* 0.00	19.00	(all *) 24.45
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
TOTAL ALLOWABLE MEAL COSTS (ATTACH RECEIPTS)							\$	0.00

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TRAVEL POLICY AND PROCEDURE
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**CITY OF AUSTIN LGFS PAYMENT VOUCHER
REQUEST FOR TRAVEL AUTHORIZATION
AND TRAVEL ADVANCE**

PLACE PREPRINTED P1 LABEL HERE

P1 DATE * *
SCHEDULED PULL CHECK
PYMT DATE * FOR PICKUP

P1 * *

VENDOR
CODE * *
EMPLOYEE
NAME *
ADDRESS1 *
ADDRESS2 *
CITY/ST *
ZIP *

EMPLOYEE INFORMATION

DEPT *
DIVISION *
DOCUMENT
TOTAL \$

LN	INVOICE NO.	FUND
01	*	799

ACCOUNT CODES AND AMOUNT FOR TRAVEL ADVANCE

BS ACCT	INV. DATE	DESCRIPTION (LAST NAME, INITIAL, DESTINATION)	AMOUNT
5350	* / /	*	0

DESTINATION * DATE(S) *

PURPOSE OF TRAVEL *
*

TRAVEL ADVANCE: List the amounts requested for expenses to be paid by the traveler (not paid directly by the City).

Transportation	\$	*
Hotel	\$	*
Meals	\$	*
Registration	\$	*
Other (explain or list separately)	\$	*
Other	\$	*
TOTAL Advance Requested:	\$	0

EMPLOYEE SIGNATURE, DATE

DEPARTMENTAL VERIFICATION - SIGNATURE, DATE

DEPARTMENTAL APPROVAL - SIGNATURE, DATE

Date Advance Required: *

FOR INFORMATION ONLY - ACCOUNT CODES AND AMOUNT TO CHARGE TOTAL TRAVEL COSTS TO BUDGET LINES

	FUND	AGCY	ORGN	ACTV	OBJT	RPTG	WORKORDER	AMOUNT
01	*	*	*	*	*	*	*	*
02	*	*	*	*	*	*	*	*

APPENDIX A

AGREED-UPON PROCEDURES

[Blank Company]

Engagement Letter Dated [Date]

[Include a listing of the procedures to be performed.]

**CITY OF AUSTIN
PURCHASING OFFICE
SECTION 0500: SCOPE OF WORK
REQUEST FOR QUALIFICATIONS (RFQS) 7400 CRR0306**

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT SERVICES

1. PURPOSE

The City of Austin, hereinafter referred to as the City, intends to obtain qualified audit services in response to this Request for Qualifications (RFQS) from qualified certified public accounting firms (hereinafter referred to as Auditor). It is a requirement for the Auditor to be experienced in the independent audit of governmental entities in order to audit of the Comprehensive Annual Financial Report (CAFR) and Single Audit Services for the City. This scope of work is to provide a project purpose, summary, background and to describe some of the expected responsibilities for the Auditor. This is not a complete list of responsibilities, as the initial phase of the RFQS process is to determine the most qualified Auditor. In the second phase of this solicitation, a full scope of work shall be negotiated as well as the applicable pricing proposal shall be negotiated with the Auditor deemed most qualified.

2. BACKGROUND

The City is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The City provides typical governmental services: general government, public safety (police, fire, EMS), transportation and planning, public health, public recreation and culture, and urban growth management. The City reports the following major funds: General, Austin Energy, Austin Water, and Airport. The City provides other services through enterprise funds such as electric (transmission and distribution), water and wastewater, aviation, convention, resource recovery (aka solid waste), golf, transportation, drainage, and through several internal service funds. The City's fiscal year begins October 1 and ends on September 30. The City's 2016 payroll of \$951 million (gross pay) covered approximately 14,900 employees.

The City's outstanding debt at September 30, 2016 totaled \$6.2 billion, composed of \$1.4 billion in governmental activities and \$4.8 billion in business-type activities.

Accounting and financial reporting functions of the City are centralized, with decentralized data entry of transactions within approximately 51 City departments and offices, as of 2017.

2.1. Additional Detailed Information

More detailed information on the government and its finances can be obtained through the following sources:

Documents	Contact/Website
Financial Policies	https://assets.austintexas.gov/budget/17-18/downloads/FY18_Proposed_Budget_Vol_2.pdf
Approved Budget Documents	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1
Official Statements	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR QUALIFICATION STATEMENTS (RFQS)
OFFER SHEET

SOLICITATION NO: RFQS 7400-CRR0306

DATE ISSUED: Monday, January 15, 2018

REQUISITION NO.: 17112800117

COMMODITY CODE: 94620

**FOR CONTRACTUAL AND TECHNICAL
ISSUES CONTACT THE FOLLOWING
AUTHORIZED CONTACT PERSON:**

Claudia Rodriguez
Procurement Specialist IV

Phone: (512) 974-2959

E-Mail:
CLAUDIAR.RODRIGUEZ@AUSTINTEXAS.GOV

COMMODITY/SERVICE DESCRIPTION: CAFR and Single Audit Services

PRE-RESPONSE CONFERENCE TIME AND DATE: Tues, Jan 23, 2017 at 10:00 AM-11:00 AM

LOCATION: City Hall 301 W. 2nd St, Room #1029 or via phone: 605-472-5663 Access#398238

RESPONSES DUE PRIOR TO: February 06, 2018 at 2:00pm

RESPONSE OPENING TIME AND DATE: February 06, 2018 at 3:00 pm

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

LIVE SOLICITATION OPENING ONLINE: For RFQS's, only the names of respondents will be read aloud

For information on how to attend the Solicitation Closing online, please select this link:

<http://www.austintexas.gov/departments/bid-opening-webinars>

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # 7400-CRR0306	Purchasing Office-Response Enclosed for Solicitation # 7400-CRR0306
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 ORIGINAL AND 1 ELECTRONIC COPY OF YOUR RESPONSE
*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	7
0500	SCOPE OF WORK	8
0600	RESPONSE PREPARATION INSTRUCTIONS & EVALUATION FACTORS	5
0700	REFERENCE SHEET – Complete and return if required	2
0800	NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION–Complete and return	2
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*
0815	LIVING WAGES CONTRACTOR CERTIFICATION–Complete, sign and return	1
0900	SUBCONTRACTING/SUB-CONSULTING UTILIZATION FORM – Complete & return	1
0905	SUBCONTRACTING/SUB-CONSULTING UTILIZATION PLAN – Complete and return if applicable	3
Attachment A	Exceptions Form	1

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of the * Sections are available on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: _____

Company Address: _____

City, State, Zip: _____

Federal Tax ID No. _____

Printed Name of Officer or Authorized
Representative: _____

Title: _____

Signature of Officer or Authorized
Representative: _____

Date: _____

Email Address: _____

Phone Number: _____

*** Qualifications Statement must be submitted with this signed Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to Claudia Rodriguez (ClaudiaR.RodriQuez@austintexas.gov) in the Purchasing Office no later than five (5) business days prior to the Solicitation due date.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

OR

PURInsuranceCompliance@austintexas.gov

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:
 - (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.

**CITY OF AUSTIN
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- (b) Contractor/Subcontracted Work.
 - (c) Products/Completed Operations Liability for the duration of the warranty period.
 - (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
 - (2) The policy shall also include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
- (1) The policy shall include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
- iv. **Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract

- C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. **TERM OF CONTRACT:**

- A. The Contract shall commence upon execution, unless otherwise specified, and shall remain in effect for a fixed term of 60 months.
- B. Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the deliverables due under this Contract. Any hold over period will not exceed 120 calendar days unless mutually agreed on by both parties in writing.
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.
- D. Prices are firm and fixed for the first 24 months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

4. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Controller's Office
Attn:	Administration
Address	PO Box 2920
City, State Zip Code	Austin, Texas 78768-8865

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.
- C. The contract shall be prepared under the direction of the City, and shall incorporate all applicable provisions. A firm fixed-price contract is contemplated, with progress payments as mutually determined to be appropriate.
- D. The Contractor's invoices shall indicate the amount due. Payment of the invoices by the City shall not constitute nor be deemed a waiver or release by the City of any of its rights and remedies against the Contractor for recovery of amounts improperly invoiced or for defective, incomplete or non-conforming work under the Contract.

5. **LIVING WAGES:**

The City's Living Wage Program, Rule R161-17.14, is located at:

<http://www.austintexas.gov/edims/document.cfm?id=277854>

- A. The minimum wage required for all Contractor Employees (and all tiers of Subcontracting) directly assigned to this City Contract is \$14.00 per hour, unless Published Wage Rates are included in this solicitation. In addition, the City may stipulate higher wage rates in certain solicitations in order to assure quality and continuity of service.
- B. The City requires Contractors submitting Offers on this Contract to provide a certification (**see the Living Wages Contractor Certification included in the Solicitation**) with their Offer certifying that all Contractor Employees (and all tiers of Subcontracting) directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$14.00 per hour. The certification shall include a list of all Contractor Employees (and all tiers of Subcontracting) directly assigned to providing services under the resultant contract including their name and job title. The list shall be updated and provided to the City as necessary throughout the term of the Contract.
- C. The Contractor shall maintain throughout the term of the resultant contract basic employment and wage information for each employee as required by the Fair Labor Standards Act (FLSA).

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

- D. The Contractor shall provide to the Department's assigned Contract Manager with the first invoice, individual Employee Certifications for all Contractor Employees (and all tiers of Subcontracting) directly assigned to the contract. The City reserves the right to request individual Employee Certifications at any time during the contract term. Employee Certifications shall be signed by each Contractor Employee (and all tiers of Subcontracting) directly assigned to the contract. The Employee Certification form is available on-line at https://www.austintexas.gov/financeonline/vendor_connection/index.cfm.
- E. Contractor shall submit employee certifications for Contractor Employees (and all tiers of Subcontracting) annually on the anniversary date of contract award with the respective invoice to verify that employees are paid the Living Wage throughout the term of the contract. The Employee Certification Forms shall be submitted for Contractor Employees (and all tiers of Subcontracting) added to the contract and/or to report any employee changes as they occur.
- F. The Department's assigned Contract Manager will periodically review the employee data submitted by the Contractor to verify compliance with this Living Wage provision. The City retains the right to review employee records required in paragraph C above to verify compliance with this provision.

6. NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

7. NON-SOLICITATION:

- A. During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.
- B. In the event that a breach of Paragraph A occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) 100 percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

- C. During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a Contractor employee will not hire a Contractor employee while the employee is performing work under a Contract with the City unless the City first obtains the Contractor's approval.
- D. In the event that a breach of Paragraph C occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) 100 percent of the employee's annual compensation while employed by the Contractor.

8. WORKFORCE SECURITY CLEARANCE AND IDENTIFICATION (ID):

- A. Access to the Controller's Office in the Municipal building by the Contractor, all subcontractors and their employees will be strictly controlled at all times by the City. Security badges will be issued by the Department for this purpose. The Contractor shall submit a complete list of all persons requiring access to the Municipal building to the Contract Manager as needed of their need for access. The City reserves the right to deny a security badge to any Contractor personnel for reasonable cause. The City will notify the Contractor of any such denial should one occur after receipt of the Contractor's submittal.
- B. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) days of the receipt of notification of denial.
- C. Contractor personnel will be required wear security badges as they must be on display at all times when in the building. Failure to do so may be cause for removal of Contractor Personnel from the worksite, without regard to Contractor's schedule.
- D. The Contractor shall comply with all other security requirements imposed by the City and shall ensure that all employees and subcontractors are kept fully informed as to these requirements.

9. ECONOMIC PRICE ADJUSTMENT:

- A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first 24 months of the Contract. After that, in recognition of the potential for fluctuation of the Contractor's cost, a price adjustment (increase or decrease) may be requested by either the City or the Contractor on the anniversary date of the Contract or as may otherwise be specified herein. The percentage change between the contract price and the requested price shall not exceed the percentage change between the specified index in effect on the date the solicitation closed and the most recent, non-preliminary data at the time the price adjustment is requested. The requested price adjustment shall not exceed Twenty percent (20%) for any single line item and in no event shall the total amount of the contract be automatically adjusted as a result of the change in one or more line items made pursuant to this provision. Prices for products or services unaffected by verifiable cost trends shall not be subject to adjustment.
- B. **Effective Date:** Approved price adjustments will go into effect on the first day of the upcoming renewal period or anniversary date of contract award and remain in effect until contract expiration unless changed by subsequent amendment.
- C. **Adjustments:** A request for price adjustment must be made in writing and submitted to the other Party prior to the yearly anniversary date of the Contract; adjustments may only be considered at that time unless otherwise specified herein. Requested adjustments must be solely for the purpose of accommodating changes in the Contractor's direct costs. Contractor shall provide an updated price listing once agreed to adjustment(s) have been approved by the parties.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

D. **Indexes:** In most cases an index from the Bureau of Labor Standards (BLS) will be utilized; however, if there is more appropriate, industry recognized standard then that index may be selected.

i. The following definitions apply:

- (1) **Base Period:** Month and year of the original contracted price (the solicitation close date).
- (2) **Base Price:** Initial price quoted, proposed and/or contracted per unit of measure.
- (3) **Adjusted Price:** Base Price after it has been adjusted in accordance with the applicable index change and instructions provided.
- (4) **Change Factor:** The multiplier utilized to adjust the Base Price to the Adjusted Price.
- (5) **Weight %:** The percent of the Base Price subject to adjustment based on an index change.

ii. **Adjustment-Request Review:** Each adjustment-request received will be reviewed and compared to changes in the index(es) identified below. Where applicable:

- (1) Utilize final Compilation data instead of Preliminary data
- (2) If the referenced index is no longer available shift up to the next higher category index.

iii. **Index Identification:** Complete table as they may apply.

Weight % or \$ of Base Price: 100%	
Database Name: PPI-Producer Price Index	
Series ID: CUUR0000SEMC	
<input checked="" type="checkbox"/> Not Seasonally Adjusted	<input type="checkbox"/> Seasonally Adjusted
Geographical Area: United States	
Description of Series ID: Industry Data for Offices of CPAs-Financial Auditing	
This Index shall apply to the following items of the Bid Sheet / Cost Proposal: All	

E. **Calculation:** Price adjustment will be calculated as follows:

Single Index: Adjust the Base Price by the same factor calculated for the index change.

Index at time of calculation
Divided by index on solicitation close date
Equals Change Factor
Multiplied by the Base Rate
Equals the Adjusted Price

F. If the requested adjustment is not supported by the referenced index, the City, at its sole discretion, may consider approving an adjustment on fully documented market increases.

11. **OWNERSHIP AND USE OF DELIVERABLES:** The City shall own all rights, titles, and interests throughout the world in and to the Deliverables.

A. **Patents:** As to any patentable subject matter contained in the Deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge,

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS**

and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

- B. **Copyrights:** As to any Deliverable containing copyrighted subject matter, the Contractor agrees that upon their creation, such Deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such Deliverables, provided however, that nothing in this Paragraph 36 shall negate the City's sole or joint ownership of any such Deliverables arising by virtue of the City's sole or joint authorship of such Deliverables. Should by operation of law, such Deliverables not be considered work made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of Austin) all worldwide right, title, and interest in and to such Deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such Deliverables to the City or at such other time as the City may request.
- C. **Additional Assignments:** The Contractor further agrees to, and if applicable, cause each of its employees to execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns, and nominees, the sole and exclusive right, title, and interest in and to the Deliverables, The Contractor's obligations to execute acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 36 A., B., and C. shall continue after the termination of this Contract with respect to such Deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the Deliverables, but should arise to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph above.

12. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Diana Thomas

512-974-1166

Diana.Thomas@austintexas.gov

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

**CITY OF AUSTIN
PURCHASING OFFICE
SECTION 0500: SCOPE OF WORK
REQUEST FOR QUALIFICATIONS (RFQS) 7400 CRR0306**

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT SERVICES

1. PURPOSE

The City of Austin, hereinafter referred to as the City, intends to obtain qualified audit services in response to this Request for Qualifications (RFQS) from qualified certified public accounting firms (hereinafter referred to as Auditor). It is a requirement for the Auditor to be experienced in the independent audit of governmental entities in order to audit of the Comprehensive Annual Financial Report (CAFR) and Single Audit Services for the City. This scope of work is to provide a project purpose, summary, background and to describe some of the expected responsibilities for the Auditor. This is not a complete list of responsibilities, as the initial phase of the RFQS process is to determine the most qualified Auditor. In the second phase of this solicitation, a full scope of work shall be negotiated as well as the applicable pricing proposal shall be negotiated with the Auditor deemed most qualified.

2. BACKGROUND

The City is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The City provides typical governmental services: general government, public safety (police, fire, EMS), transportation and planning, public health, public recreation and culture, and urban growth management. The City reports the following major funds: General, Austin Energy, Austin Water, and Airport. The City provides other services through enterprise funds such as electric (transmission and distribution), water and wastewater, aviation, convention, resource recovery (aka solid waste), golf, transportation, drainage, and through several internal service funds. The City's fiscal year begins October 1 and ends on September 30. The City's 2016 payroll of \$951 million (gross pay) covered approximately 14,900 employees.

The City's outstanding debt at September 30, 2016 totaled \$6.2 billion, composed of \$1.4 billion in governmental activities and \$4.8 billion in business-type activities.

Accounting and financial reporting functions of the City are centralized, with decentralized data entry of transactions within approximately 51 City departments and offices, as of 2017.

2.1. Additional Detailed Information

More detailed information on the government and its finances can be obtained through the following sources:

Documents	Contact/Website
Financial Policies	https://assets.austintexas.gov/budget/17-18/downloads/FY18_Proposed_Budget_Vol_2.pdf
Approved Budget Documents	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1
Official Statements	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3

Annual Financial Reports (CAFR)	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1
Management Letter (2016)	http://www.austintexas.gov/edims/document.cfm?id=274887
Single Audit (2016)	Controller's Office, 974-2600 or controllers.office@austintexas.gov

The proposer should refer to the 2016 CAFR for additional information on the City's reporting entity, fund structure, accounting and budgeting policies, federal and state financial assistance, component units, joint projects, etc. The 2017 CAFR will be provided to the awarded Contractor when complete. This is expected to occur in late February or early March. The City has not made any significant changes in reporting from 2016.

2.2. Fund Structure

The City reported the following funds in the CAFR issued for fiscal year ending September 30, 2016. These funds may be recorded in more detail in the City's financial system.

Fund Type	Number of Individual Funds	Number of Gov't'l. Funds with Legally Adopted Annual Budgets	Number of Major Funds
General fund	1	1	1
Special revenue funds	120	33	-
Debt service funds	2	2	-
Capital project funds	57	-	-
Permanent funds	3	-	-
Enterprise funds	7	-	3
Internal service funds	9	-	-
Private-purpose trust funds	7	-	-
Agency funds	3	-	-

2.4 Budgetary Basis of Accounting

The City does not prepare its annual operating budget on a basis consistent with Generally Accepted Accounting Principles (GAAP); rather the City budgets are based on cash and available resources (budget basis). The primary differences between GAAP-basis and budget-basis are the reporting of encumbrances, certain accruals and certain operating transfers. In governmental funds, encumbrances constitute the equivalent of expenditures for budgetary purposes. In addition, some short-term and most long-term accruals are not included for budget-basis reporting, such as accrued compensated absences. Certain items are budgeted as transfers between funds, but are recorded as revenues and expenditures/expenses for GAAP purposes.

2.5. Federal and State Awards

During 2016, the City received federal and state grant funding as identified in Exhibit E-8 and E-9 (2016 CAFR, pages 135 and 136) for Governmental operations and Exhibit I-2 and I-3 for Enterprise operations (2016 CAFR, pages 209 and 210).

2.6. Component Units

The reporting entity for the City, as defined by the Governmental Accounting Standards Board (GASB) Statements 14, 39, and 61, as reported in the CAFR for the fiscal year ended September 30, 2016, includes the following blended component units: Austin Housing Finance Corporation, Austin Industrial Development Corporation, the Mueller

Local Government Corporation, the Urban Renewal Agency, and the Austin-Bergstrom International Airport (ABIA) Development Corporation. Austin-Bergstrom Landhost Enterprises, Inc., Austin Convention Enterprises, Inc., and the Waller Creek Local Government Corporation are discretely presented component units.

The following potential component units are not included in the City's financial statements:

- City of Austin retirement plans
- City of Austin Deferred Compensation Plan
- Capital Metropolitan Transit Authority
- Austin Housing Authority

All of these entities are separate from the operating activities of the City. Related organizations are not included in the City's reporting entity. For additional discussion, please refer to the 2016 CAFR, Notes to Basic Financials Statements, Note 1-a, pages 42 – 44.

The City also participates in two energy producing arrangements as part of Austin Energy operations with the Fayette Power Project and the South Texas Project. Please refer to the 2016 CAFR, Notes to Basic Financial Statements, Note 13-a and 13-b, pages 105 and 106.

2.7. GASB Statements

As of September 30, 2016, the City has implemented GASB Statements No. 1 through No. 73, No. 76, No. 79, and No. 82.

The City is implementing the following GASB statements in 2017:

- GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pensions
- GASB Statement No. 77 – Tax Abatement Disclosures
- GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Plans
- GASB Statement No. 80 – Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14

The City will implement the following GASB statements in future years (year of implementation in parenthesis):

- GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (2018)
- GASB Statement No. 81 - Irrevocable Split-Interest Agreements (2018)
- GASB Statement No. 83 – Certain Asset Retirement Obligations (2019)
- GASB Statement No. 84 – Fiduciary Activities (2020)
- GASB Statement No. 85 – Omnibus 2017 (2018)
- GASB Statement No. 86 – Certain Debt Extinguishments (2018)
- GASB Statement No. 87 – Leases (2021)

2.8. Accounting Records

The Controller's Office maintains the accounting records of the City with offices located at 124 W. 8th St., Austin, Texas (Municipal Building).

Although maintenance of the accounting records is centralized with the Controller's Office, the City's accounting function is highly decentralized. Each City department has the authority to initiate and submit all input documents (e.g. reports of cash receipts, authorization and requests for cash disbursements, journal entries) for processing by various offices within the Financial Services service group. Departments perform the initial data input for most purchasing transactions, payment transactions, and journal vouchers – all of which require central department review and approvals; departments also input and finalize cash receipt transactions and most purchasing transactions less than \$5,000. Payment transactions must be approved centrally before checks are issued, with the following exceptions: checks issued for utility billing system refunds, and energy conservation rebate checks.

2.8.1. Organization of the Controller's Office

The City's accounting function falls within the Financial Services service group. The Controller, who reports directly to the Chief Financial Officer, is responsible for all financial accounting and reporting activities of the City. The Controller has overall responsibility for the Controller's Office. There are several people who report to the Controller: three Deputy Controllers and the IT Division Manager. The three Deputy Controllers who report to the Controller have overall responsibility for certain sections of the Controller's Office operations. See **Exhibit B** for section names and applicable managers of the Controller's Office.

2.8.2. Office of the City Auditor

The City has maintained an audit function for over three decades. This independent audit function reports to the Mayor and Council. Much of the focus of the Office of the City Auditor is performing audits and investigative services that foster accountability, transparency, and continuous improvement in Austin city government. The Office of the City Auditor does not budget hours for the City's external audit as support of the internal auditor is not a part of the office's mandate. Copies of the reports published by the office can be found at:

<http://austintexas.gov/page/audit-reports>

2.9. Software Applications and Environments

The City uses the off-the-shelf financial application CGI Advantage 3 (ADV3) produced by CGI, Inc. The application was originally implemented on October 1, 1989 and the City has applied many system upgrades since the original implementation, with typical upgrades occurring every three years. ADV3 is a City-wide integrated accounting and financial reporting system. It provides for fund accounting, encumbrance accounting, budgetary development and control, accounts payable processing, accounts receivable processing, task order processing, inventory management and web-based reporting.

2.9.1. Financial Systems

The City has CGI Advantage subsystems that are integrated with the core ADV3 system. Transactions in these systems are processed along with other financial transactions as part of the online ADV3 application.

The subsystems are:

- Budgeting
- Inventory
- Purchasing
- Task Order
- Fixed Assets

The City is in the process of implementing the Debt subsystem which is expected to go live in 2018.

2.9.1.1. Automated Interfaces to ADV3

The following subsystems have automated interfaces to ADV3. These subsystems and the frequency of interface are as follows:

Payroll	Biweekly
Indirect cost	Weekly
Austin Energy Customer Care & Billing (CC&B) cash & revenue	Daily
Austin Energy CC&B refunds	Daily
Austin Energy inventory - PowerPlan	Weekly
Austin Energy purchasing card	Monthly
City-wide procurement card	Weekly
Inventory bar code (Austin Water)	Daily
Fleet and fuel charges	Monthly
Radio communications	Monthly

2.9.1.2. Other Subsystems

Other subsystems require a manual interface through journal entry.

2.9.1.3. Fixed Asset Systems

The City utilizes the CGI Advantage Fixed Assets Subsystem which operates on the same principle as ADV3.

Austin Energy utilizes PowerPlan and Maximo to manage its fixed assets.

2.9.1.4. Information Technology Environment

The environment for ADV3 uses an n-tier architecture. The hardware consists of IBM pSeries enterprise servers utilizing the AIX 7.1 operating system. Storage is accomplished with Dell/EMC and NetApp storage array networks. The application is Java J2EE and is hosted in the Websphere 8.5 environment, using an Apache/IBM webserver to handle requests to the application. There are separate logical partitions (LPARS) allocated for the webserver, application and database tiers on the IBM pSeries servers. The database is Oracle version 12.1.

Transactions in the system are document based. The system utilizes workflow and approvals for documenting authorization for actions taken in the application.

The City also utilizes MicroFocus COBOL to create financial reports.

2.9.2 Payroll/Human Resource Management System

The City uses Banner Human Resource Management System (Banner), by Congruent. Time entry is performed remotely by departmental timekeepers. Controller's Office employees process the time entry data during the bi-weekly payroll run. The Controller's Office maintains a dedicated programming staff supporting the Banner application. The Human Resources Department establishes application rules and performs table updates.

Banner is based on an internet native technology consisting of a database server and application server. The computer environment for the Banner database server and

application server consist of an IBM pSeries with an AIX 6.1 operating system. The data is stored in an Oracle 11.2 Enterprise Edition relational database management system (RDBMS).

Banner provides for applicant tracking, biographic and demographic information, employment administration, compensation administration, employee relations administration, health and safety administration, benefits/deduction administration, position management, personnel service budgeting, time entry and payroll processing, payroll history, tax administration, check reconciliation, electronic approvals and event management.

The City is evaluating the current Payroll/Human Resource System and anticipates that the current system may be either significantly modified or replaced within the CAFR/Single Audit contract term.

The City is in the early stages of implementing an electronic workforce management system for time management, leave scheduling and labor scheduling. Citywide implementation is planned to occur in fiscal year 2019.

2.9.3. Customer Information System (CIS)

The City implemented a customer information and utility billing system (CC&B) in October 2011. The City contracts for the production, printing, and mailing of utility bills using an Application Service Provider (ASP) model. All of the City's utilities are included on these bills including electric, water, wastewater, solid waste, drainage fee, and transportation user fee. Austin Energy is responsible for managing the City's contract. In addition to bill production, CC&B is used for service orders, utility contracts, credit and collections, meter inventory, usage history, rate assignment, account management and accounts receivable. CC&B is interfaced with other systems including those for meter reading, work management, remittance processing, collection services and the City's financial system (ADV3). The CC&B solution resides at an offsite data center, with redundancy at an alternate location. After bills are calculated and audited, a custom data print stream is sent to Nebraska for printing, stuffing and mailing.

The City receives an annual SSAE 16 SOC 1 and SOC 2 audits from the application service provider.

3. TASKS/AUDITOR REQUIREMENTS

The Auditor's assigned work is divided into four areas of services as described below. Auditor shall provide all labor, materials, and supervision necessary to perform the four categories of services. The requirements stated in this section are not all inclusive of the full scope of work that will be negotiated as a part of the final and resulting contract.

3.1. Audit of Comprehensive Annual Financial Report (CAFR)

Commencing with fiscal year ending September 30, 2018, Auditor will conduct five (5) consecutive financial audits of the City's external financial statements. This service will be performed in accordance with the generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to financial statement audits contained in the Government Auditing Standards issued by the Comptroller General of the United States.

- 3.1.1.** The City desires the auditor to express an opinion on the fair presentation of its Basic Financial Statement (BFS) in conformity with GAAP. The auditor is not required to audit the combining and individual fund financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" opinion

on the combining and individual fund financial statements and supporting schedules based on auditing procedures applied during the audit of BFS. The auditor is not required to audit the Management's Discussion and Analysis (MD&A) or required supplementary information. The auditor is expected, however, to apply certain limited procedures to evaluate the methods of the measurement and presentation of such required supplementary information. The auditor is not required to audit the statistical section of the report. The opinion must be signed no later than 180 days after the end of the fiscal year to meet bond requirements. The City desires to issue the report no later than the last day of February following the fiscal year end.

3.1.1.1. The auditor shall provide special assistance to the City to meet the requirements of the Government Finance Officers Association (GFOA) Certificate Program. The Auditor will advise the City Controller in preparing and compiling the CAFR in accordance with Governmental Accounting and Financial Reporting Standards published and issued by the Governmental Accounting Standards Board (GASB) and all eligibility requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

3.1.1.2. The Auditor shall make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the following parties:
City Auditor;
Chief Financial Officer; and,
Audit and Finance Committee.

3.1.1.3. The auditor shall prepare a "management letter" if a reportable condition is identified. The letter shall communicate to the City Manager and the members of the City's Audit and Finance Committee any reportable conditions (i.e. significant deficiency or material weakness). The letter shall contain the responses from the responsible City Department Heads. Prior to issuance, the auditor shall review the proposed draft letter in its entirety with the Controller. Subsequent to issuance, the auditor shall review the final letter with the Mayor and City Council if requested to do so. The management letter shall be issued annually at the conclusion of the audit. The presentation to the Audit Committee, which includes the management letter with any reportable conditions, must occur within 60 days of the issuance of the CAFR to meet the City's financial policies.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies or material weaknesses found during the audit.

In addition to the reports discussed within the RFP that are currently required by State and Federal grantors and by regulatory bodies such as the AICPA, GASB, GFOA, and others, the auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

3.1.1.4. Furnish services and materials necessary for the performance of a review of the City's planning, preparation and implementation of GASB pronouncements.

- 3.1.1.5.** The auditor shall present its opinion and any other required communications to the Audit and Finance Committee at a scheduled meeting no more than 60 days after the issuance of the CAFR in accordance with City Financial Policies.

3.2. Single Audits of Federal and State Financial Assistance Programs

In conjunction with the CAFR financial audit, the Auditor shall perform financial and compliance audits of Federal Financial Assistance Programs and Passenger Facility Charges in accordance with the Single Audit Act of 1996, as amended, Office of Management and Budget (OMB) Circulars and any amendments or supplements thereto. The Auditor shall also perform auditing procedures on the City's state programs in accordance with the provisions of the State of Texas Uniform Grant Management Standards and the State of Texas Single Audit Circular. Successor publications will also apply.

- 3.2.1** Reports on fraud, abuse, or illegal acts or indication of such acts, including all questioned costs found as the result of these acts, information of which should be covered in a separate written report and transmitted immediately to the appropriate department or agency, the Controller, and any other agency or individual which should receive a report under current professional standards.

3.3. Bond Issuances

3.3.1. General Obligation Bonds

General obligation bond issuances for current projects usually occurs once a year (one taxable bonds and one non-taxable). The City may also issue general obligation refunding bonds during the year, depending on the market conditions.

3.3.2. Utility Bonds

Major capital improvements and additions to the City's utility systems are financed with revenue bonds or commercial paper that is periodically refunded by revenue bonds.

- 3.3.2.1** Certain Utility Bond issuances require an Agreed Upon Procedure related to a times coverage calculation.

3.3.3. Other Bonds

As needs arise, the City may issue revenue bonds for the Airport or Convention Center, or may issue revenue refunding bonds, depending on the market conditions. In addition, the City is involved in and reviews official statements for contract revenue bond sales of Municipal Utility Districts and special assessment bond sales for Public Improvement Districts.

3.4 TCEQ

Auditor shall perform agreed-upon procedures services related to the Texas Commission for Environmental Quality (TCEQ) or its successors to assist the City in its evaluation of its compliance with the local financial test requirements under Texas Administrative Code Title 30 Chapter 37 Rule 37.271. The specific procedures to be performed will be agreed upon by the City and TCEQ.

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PURCHASING OFFICE
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Updated 01/25/18**

SECTION ONE: QUALIFICATION STATEMENT RESPONSE FORMAT

Submit one (1) original and (1) flash drive that contains an exact electronic replica of the Response. The original Response shall be clearly labeled as "original" and contain original ink signatures by a person authorized to sign on behalf of the Offeror. The Response shall be submitted on standard 8.5 x 11 inch paper and shall be organized in the following format and information sequence. Use tabs to divide each part of your Response and include a Table of Contents. Respondents shall provide all details in the Response as required and any additional information you deem necessary to evaluate your Response.

Prefacing the qualification statement response, the Respondent shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the qualifications. The Response itself shall be organized in the following format and informational sequence:

Tab 1 – City Required Documents: Include with your response all documents as required by the solicitation:

1. Signed Offer Sheet
2. Section 0700-Reference Sheet
3. Section 0800-Non-Discrimination and Non-Retaliation Certification
4. Section 0815-Living Wages Contractor Certification
5. Section 0900-Subcontracting/Sub-Consulting Utilization Form
6. Section 0905-Subcontracting/Sub-Consulting Utilization Plan-if applicable
7. Exhibit A-Exceptions Document
8. All Addendums (if applicable)

Tab 2 - Authorized Negotiator and Business Organization: Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters. State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office or other subordinate element which will perform, or assist in performing, work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

Tab 3 – Project Approach: Define in detail your overall understanding of each requirement presented in the Scope of Services of this RFQS and your method of addressing the work required. Provide all details as required in the Scope of Services and any additional information you deem necessary to evaluate your response. Also include a statement of compliance with all applicable rules and regulations of Federal, State and Local governing entities. The Respondent must state their compliance with terms of this Request for Qualifications.

TAB 4– Background, Principal Officers and Prior Experience

- i. Qualifications and Experience. This section shall state:
 1. The size of the business organization,
 2. The location and size of all offices, including any local office presence,
 3. The number of years the business organization has been in business,
 4. The size and experience of the business organization's governmental audit staff,
 5. The location of the office from which the work on this engagement is to be performed,
 6. The number, nature and experience of the professional staff to be employed in this engagement on a full-time basis, and

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7. The number, nature and experience of the staff to be so employed on a part-time basis.
 8. Qualifications of each business organization comprising the joint venture or consortium, separately identified, if the Proposer is a joint venture or consortium. In-addition, joint ventures or consortiums must identify a business organization to serve as the principal auditor, and the principal auditor must accept responsibility for resolving all operational and contractual issues with the City.
- ii. External Quality Review. The Proposer is required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.
 - iii. Federal or State Desk or Field Reviews. The Proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In-addition, the business organization shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.
 - iv. Partner, Supervisory and Staff Qualifications and Experience. In this section:
 1. The business organization shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who will be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Texas. The business organization shall also provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three years and membership in professional organizations relevant to the performance of this Audit. All resumes shall be provided.
 2. The Proposer shall provide as much information as possible regarding the number, qualifications, and experience and training (including relevant continuing professional education) of the staff to be assigned specifically to this engagement. The firm shall also indicate how the quality of staff over the term of the agreement will be assured.
 3. The Proposer shall identify the extent to which staff to be assigned to the audit reflect the City's commitment to a diverse workplace and being an Equal Opportunity Employer.
 - v. Provide details on your experience in auditing financial applications, including the systems described in the scope of work.
 - vi. Engagement partners, managers, other supervisory staff, and specialist assigned to the City's account in a response may be removed from the City's account if those persons leave the firm, are promoted, or are assigned to another office.
 - vii. Other audit personnel may be changed at the discretion of the Proposer, provided that replacements have substantially the same or better qualifications or experience as those originally assigned to the resulting contract.
 - viii. Experience providing technical assistance and recommendations to customers when auditing issues arise and the level and depth of assistance to be provided by the Auditor.

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TAB 5– GFOA: This section shall include a discussion of your firm’s previous experience with the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

SECTION TWO:

A. Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

- i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror’s Offer is disqualified from further consideration except as permitted in the Ordinance.
- iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.
- iv. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at:
<http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

B. **Response Acceptance Period:** All responses are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFQS closing date unless a longer acceptance period is offered in the response.

C. **Proprietary Information:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the response to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

D. EXCEPTIONS:

Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Response.

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E. PROPOSAL PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFQS or any oral presentation required to supplement and/or clarify a response which may be required by the City shall be the sole responsibility of the Proposer.

SECTION 3: EVALUATION FACTORS AND AWARD

- A. **Competitive Selection:** This procurement will comply with applicable City Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Respondents in comparing responses and selecting the successful Respondent. Award of a contract may be made without discussion with Respondents after responses are received. Responses should, therefore, be submitted on the most favorable terms.
- B. **Evaluation Factors – 100 Points:** Each response will be rated on a 100-point scale. The award of the contract will be made to the respondent offering the response which is deemed most qualified by the City. Each respondent will be evaluated on the basis of the evaluation criteria in the areas listed below, with the points for each area as specified:
- C. **Evaluation Matrix (100 Points):**

CRITERIA	POINTS
1. <u>DEMONSTRATED EXPERIENCE</u>	45
<ul style="list-style-type: none">Clearly demonstrates experience in the areas of work to be performed in the resulting contract for similar sized governmental agency; responsiveness to terms and conditions, including scheduling; completeness and thoroughness of the technical data and documentation.Clearly demonstrates experience in GASB, GFOA, AICPA and all related standards for governmental entity CAFR audits.Demonstrates experience and understanding of the professional standards for preparing management recommendation letters for internal accounting control and financial operating improvements.Exhibits experience and a working knowledge of Title 2 U.S. <i>Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance) its audit requirements (and/or any successor documents) and State of Texas audit requirements for financial assistance programs and single audits.Exhibits experience and understanding and ability to abide by the assigned time line/work plans.Exhibits a thorough understanding of the legal requirements and professional standards as may be required in the conduct of the Special Services.	
2. <u>FIRM QUALIFICATIONS</u>	45
Demonstrated experience, qualifications, and professional activities of the audit team and the firm, including technical expertise of supervisory staff available to perform	

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“on-site” work and resources readily available to the firm in specialized areas such as Austin Energy and Airport.

- Availability of qualified resources, especially for specialized areas such as Austin Energy, Airport, Pension/OPEB, and Derivatives
- Qualifications of all project team members.
- Technical skills and competence of proposed project teams selected for individual tasks within this RFQS.
- Statement affirming vendor's commitment to abide by all professional and legal ethical requirements in the conduct of this contract.
- Experience with work proposed.

3. REFERENCE CHECKS

10

Successful reference checks for at least three prior engagements of similar scope and size.

TOTAL

100

- D. **Presentations, Demonstrations, Interviews Optional**. The City will score responses on the basis of the criteria listed below. The City may select a “short list” of Proposers based on those scores. “Short-listed” Proposers may be invited for presentations, demonstrations, or interviews with the City. The City reserves the right to re-score “short-listed” responses as a result, and to make award recommendations on that basis.

Section 0700: Reference Sheet

Responding Company Name _____

The City at its discretion may check references in order to determine the Offeror's experience and ability to provide the products and/or services described in this Solicitation. The Offeror shall furnish at least 3 complete and verifiable references. References shall consist of customers to whom the offeror has provided the same or similar services within the last 5 years. References shall indicate a record of positive past performance.

1. Company's Name _____

Name and Title of Contact _____

Project Name _____

Present Address _____

City, State, Zip Code _____

Telephone Number (____)_____ Fax Number (____)_____

Email Address _____

2. Company's Name _____

Name and Title of Contact _____

Project Name _____

Present Address _____

City, State, Zip Code _____

Telephone Number (____)_____ Fax Number (____)_____

Email Address _____

3. Company's Name _____

Name and Title of Contact _____

Project Name _____

Present Address _____

City, State, Zip Code _____

Telephone Number (____)_____ Fax Number (____)_____

Email Address _____

City of Austin, Texas
Section 0800
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this _____ day of _____, _____

CONTRACTOR	_____
Authorized Signature	_____
Title	_____

Section 0815: Living Wages Contractor Certification

Pursuant to the Living Wages provision (reference Section 0400, Supplemental Purchase Provisions) the Contractor is required to pay to all employees of the Prime Contractor and all tiers of subcontractors directly assigned to this City contract a minimum Living Wage equal to or greater than \$14.00 per hour.

- (1) The below listed individuals are all known employees of the Prime Contractor and its subcontractors who are directly assigned to this contract, and all are compensated at wage rates equal to or greater than \$14.00 per hour:

Employee Name	Employer	Prime or Sub	Your Normal Rate	Employee Job Title

- (2) All future employees of both the Prime Contractor and all tiers of subcontractors directly assigned to this Contract will be paid a minimum Living Wage equal to or greater than \$14.00 per hour.
- (3) Our firm will not retaliate against any employee of either the Prime Contractor or any tier of subcontractors claiming non-compliance with the Living Wage provision.

A Prime Contractor or subcontractor that violates this Living Wage provision shall pay each of its affected employees the amount of the deficiency for each day the violation continues. Willful or repeated violations of the provision by either the Prime Contractor or any tier of subcontractor, or fraudulent statements made on this certification, may result in termination of this Contract for Cause, subject the violating firm to possible suspension or debarment, or result in legal action.

I hereby certify that all the listed employees of both the Prime Contractor and all tiers of subcontractors who are directly assigned to this contract are paid a minimum Living Wage equal to or greater than \$14.00 per hour.

Contractor's Name:

Signature of Officer or
Authorized
Representative:

Date:

Printed Name:

Title

Section 0900: SUBCONTRACTING/SUB-CONSULTING UTILIZATION FORM

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form**

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES
SOLICITATION TITLE: RFQS 7400-CRR0306

In accordance with the City of Austin's Minority and Women-Owned Business Enterprises (M/WBE) Procurement Program (Program), Chapters 2-9A/B/C/D of the City Code and M/WBE Program Rules, this Solicitation was reviewed by the Small and Minority Business Resources Department (SMBR) to determine if M/WBE Subcontractor/Sub-Consultant ("Subcontractor") Goals could be applied. Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. However, Offerors who choose to use Subcontractors must comply with the City's M/WBE Procurement Program as described below. Additionally, if the Contractor seeks to add Subcontractors after the Contract is awarded, the Program requirements shall apply to any Contract(s) resulting from this Solicitation.

Instructions:

- a.) Offerors who do not intend to use Subcontractors shall check the "NO" box and follow the corresponding instructions.
b.) Offerors who intend to use Subcontractors shall check the applicable "YES" box and follow the instructions. **Offers that do not include the following required documents shall be deemed non-compliant or nonresponsive as applicable, and the Offeror's submission may not be considered for award.**

☐ **NO, I DO NOT intend to use Subcontractors/Sub-consultants.**

Instructions: Offerors that do not intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form) and include it with their sealed Offer.

☐ **YES, I DO intend to use Subcontractors /Sub-consultants.**

Instructions: Offerors that do intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form), and follow the additional Instructions in the (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan). Contact SMBR if there are any questions about submitting these forms.

Offeror Information			
Company Name			
City Vendor ID Code			
Physical Address			
City, State Zip			
Phone Number		Email Address	
Is the Offeror City of Austin M/WBE certified?	<input type="checkbox"/> NO <input type="checkbox"/> YES Indicate one: <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture		

Offeror Certification: I understand that even though SMBR did not assign subcontract goals to this Solicitation, I will comply with the City's M/WBE Procurement Program if I intend to include Subcontractors in my Offer. I further agree that this completed **Subcontracting/Sub-Consulting Utilization Form**, and if applicable my completed **Subcontracting/Sub-Consulting Utilization Plan**, shall become a part of any Contract I may be awarded as the result of this Solicitation. Further, if I am awarded a Contract and I am not using Subcontractor(s) but later intend to add Subcontractor(s), before the Subcontractor(s) is hired or begins work, I will comply with the City's M/WBE Procurement Program and submit the **Request For Change** form to add any Subcontractor(s) to the Project Manager or the Contract Manager for prior authorization by the City and perform Good Faith Efforts (GFE), if applicable. I understand that, if a Subcontractor is not listed in my **Subcontracting/Sub-Consulting Utilization Plan**, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my **Request for Change** form. I understand that, if a Subcontractor is not listed in my **Subcontracting/Sub-Consulting Utilization Plan**, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my **Request for Change** form.

Name and Title of Authorized Representative (Print or Type)

Signature/Date

Section 0905: SUBCONTRACTING/SUB-CONSULTING UTILIZATION PLAN

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES
SOLICITATION TITLE: RFQS 7400-CRR0306

INSTRUCTIONS: Offerors who DO intend to use Subcontractors may utilize M/WBE Subcontractor(s) or perform Good Faith efforts when retaining Non-certified Subcontractor(s). Offerors must determine which type of Subcontractor(s) they are anticipating to use (CERTIFIED OR NON-CERTIFIED), check the box of their applicable decision, and comply with the additional instructions associated with that particular selection.

- ☐ I intend to use City of Austin CERTIFIED M/WBE Subcontractor/Sub-consultant(s).

Instructions: Offerors may use Subcontractor(s) that ARE City of Austin certified M/WBE firms. Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to confirm if the Offeror's intended Subcontractor(s) are City of Austin certified M/WBE and if these firm(s) are certified to provide the goods and services the Offeror intends to subcontract. If the Offeror's Subcontractor(s) are current valid certified City of Austin M/WBE firms, the Offeror shall insert the name(s) of their Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)

- ☐ I intend to use NON-CERTIFIED Subcontractor/Sub-Consultant(s) after performing Good Faith Efforts.

Instructions: Offerors may use Subcontractors that ARE NOT City of Austin certified M/WBE firms ONLY after Offerors have first demonstrated Good Faith Efforts to provide subcontracting opportunities to City of Austin M/WBE firms.

STEP ONE: Contact SMBR for an availability list for the scope(s) of work you wish to subcontract;

STEP TWO: Perform Good Faith Efforts (Check List provided below);

STEP THREE: Offerors shall insert the name(s) of their certified or non-certified Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)
- All required documentation demonstrating the Offeror's performance of Good Faith Efforts (see Check List below)

GOOD FAITH EFFORTS CHECK LIST –

When using NON-CERTIFIED Subcontractor/Sub-consultants(s), **ALL** of the following **CHECK BOXES MUST** be completed in order to meet and comply with the Good Faith Effort requirements and all documentation must be included in your sealed Offer. Documentation **CANNOT** be added or changed after submission of the bid.

- ☐ **Contact SMBR.** Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to obtain a list of City of Austin certified M/WBE firms that are certified to provide the goods and services the Offeror intends to subcontract out. (Availability List). Offerors shall document their contact(s) with SMBR in the "SMBR Contact Information" table on the following page.
- ☐ **Contact M/WBE firms.** Offerors shall contact all of the M/WBE firms on the Availability List with a Significant Local Business Presence which is the **Austin Metropolitan Statistical Area**, to provide information on the proposed goods and services proposed to be subcontracted and give the Subcontractor the opportunity to respond on their interest to bid on the proposed scope of work. When making the contacts, Offerors shall use at least two (2) of the following communication methods: email, fax, US mail or phone. Offerors shall give the contacted M/WBE firms at least seven days to respond with their interest. Offerors shall document all evidence of their contact(s) including: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)

PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES

SOLICITATION TITLE: RFQS 7400-CRR0306

- ☐ **Follow up with responding M/WBE firms.** Offeror shall follow up with all M/WBE firms that respond to the Offeror's request. Offerors shall provide written evidence of their contact(s): emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.
- ☐ **Advertise.** Offerors shall place an advertisement of the subcontracting opportunity in a local publication (i.e. newspaper, minority or women organizations, or electronic/social media). Offerors shall include a copy of their advertisement, including the name of the local publication and the date the advertisement was published.
- ☐ **Use a Community Organization.** Offerors shall solicit the services of a community organization(s); minority persons/women contractors'/trade group(s); local, state, and federal minority persons/women business assistance office(s); and other organizations to help solicit M/WBE firms. Offerors shall provide written evidence of their Proof of contact(s) include: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, organization contacted, phone number, email address and contact person.

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES
SOLICITATION TITLE: RFQS 7400-CRR0306

(Offerors may duplicate this page to add additional Subcontractors as needed)

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

SMBR Contact Information			
SMBR Contact Name	Contact Date	Means of Contact	Reason for Contact
		<input type="checkbox"/> Phone OR <input type="checkbox"/> Email	

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the Offeror ☐ HAS or ☐ HAS NOT complied with these instructions and City Code Chapters 2-9A/B/C/D, as amended.

Reviewing Counselor

Date

I have reviewed the completing the Subcontracting/Sub-Consultant Utilization Plan and ☐ Concur ☐ Do Not Concur with the Reviewing Counselor's recommendation.

Director/Assistant Director or Designee

Date

ATTACHMENT A



CITY OF AUSTIN PURCHASING OFFICE EXCEPTIONS

Solicitation Number: RFQS 7400-CRR0306

The City will presume that the Respondent is in agreement with all sections of the solicitation unless the Respondent takes specific exception as indicated below. The City, at its sole discretion, may negotiate exceptions to the sections contained in the solicitation documents or the City may deem the Respondent non-responsive. The Respondent that is awarded the contract shall sign the contract with the accepted or negotiated sections.

Place this attachment in Tab 7 – Exceptions. Copies of this form may be utilized if additional pages are needed.

☐ Accepted as written.

☐ Not accepted as written. See below:

Indicate:

- ☐ **0300 Standard Purchase Terms & Conditions**
- ☐ **0400 Supplemental Purchase Provisions**
- ☐ **0500 Scope of Work**

Page Number

Section Number

Section Description

Alternative Language:

Justification:

RFQS 7400-CRR0306

Exhibit B

I. Link to Key City Personnel-This link includes the City's organizational structure and provides a listing of all key personnel to the department/office level.

http://www.austintexas.gov/sites/default/files/files/City_Org_Chart_11.01.2017_Revised.pdf

II. The sections of the Controller's Office, each of which has a manager responsible for its activities, are divided as follows:

Diana Thomas, CPA, Controller

Ms. Thomas has over 25 years of governmental accounting experience with the City of Austin. She became Controller in 2008. The Controller oversees three Deputy Controllers and the IT Division Manager, who is responsible for overseeing all programming and support for the City's financial and payroll systems.

Joyce Herring, CPA, Deputy Controller

Ms. Herring has over 23 years of governmental experience. She became Deputy Controller in 2008. She is responsible for the following staff and functions:

- **Central Accounts Payable (Marija Jukic, CPA, Manager):** Review of departmental payment transactions for compliance with City policy and procedures; Scheduling of payments for check generation; Maintenance of Citywide archive of payment and other accounting transactions; Preparation and filing of year-end tax information returns; Train departments on proper accounts payable processes. The City processes approximately 175,000 payments per year (excluding employee payroll).
- **Enterprise Accounting (Fabian Mesa, Manager):** Financial Reporting for the City's enterprise operations, including three major funds: Austin Energy (the City's electric utility), Austin Water (the City's water and wastewater utility), Austin-Bergstrom International Airport, and five non-major enterprise funds; Responsible for reporting all citywide debt activities; Other non-GAAP financial reporting; Assist departments with appropriate financial reporting needs. The City issues new or refunding debt between three and six times per year depending on the market.

Stacie Carter, CPA, Deputy Controller

Ms. Carter has over 22 years of governmental experience. She became Deputy Controller in 2015. She is responsible for the following staff and functions:

- **Asset Accounting (Derrick Dean, CPA, Manager):** Financial Reporting for the City's capital assets, including Governmental assets (including infrastructure) as well as Business-type activities assets; including assets acquired, constructed, contributed, and transferred for all city operations; Rotating biannual departmental asset inventories; Assist departments with appropriate financial

reporting

needs.

- **Payroll (Judy Lindsey, CPP):** Scheduling, reviewing, and running of Citywide payrolls; Withholding, remitting, and reporting of employment taxes, court-ordered deductions, and other employee deductions; Preparing and filing of biweekly, quarterly, and annual tax information returns (Form 941 and Form W-2); Providing payroll data, database backup and recovery, and automation support to City departments and management; Providing support for the annual Budget process. The City processes approximately 475,000 payroll payments per year (including employees and deductions).

Vacant, CPA, Deputy Controller

The City has one vacant Deputy Controller position at the time this RFQS was issued. This position is responsible for the following staff and functions:

- **Governmental Accounting (Kim Euresiti, CPA, Manager):** Financial Reporting for the City's governmental and internal service operations, including one major fund – the General Fund; Responsible for reporting all grant and Single Audit related activities; Other non-GAAP financial reporting; Assist departments with appropriate financial reporting needs.
- **Internal Controls (Maria Stuart, CPA, Manager):** Responsible for key bank reconciliations; A/P check review and distribution; Collections and/or reporting for various taxes and fees including hotel occupancy tax and vehicle rental tax; Reporting on taxes collected by 3rd parties on the City's behalf including property taxes, alcoholic beverage permitting, and public improvement district assessments; State Unclaimed Property reporting; Travel Claim and Travel Advance review and monitoring; Assist departments with appropriate reporting needs.

Information Systems Division Manager (Mark Caraway)

Mr. Caraway has over 12 years of experience with the City's financial systems. He became IT Division Manager in 2017. He is responsible for the following staff and functions:

- **Financial Systems Support (Eva Sham, IT Supervisor):** Maintain & enhance City-wide financial systems: Advantage Financial (financial/purchasing); DXR & MicroStrategy (reporting systems); Austin Finance Online (transparency portal); Vendor Connection (vendor portal); Customer Connection (Hotel Occupancy Tax portal), etc.
- **Payroll Support (Roja Myneni, IT Supervisor):** Maintain & enhance City-wide payroll & HR systems: Banner Payroll/HRMS (payroll, HR); timekeeping system.



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: 7400-CRR0306

Addendum No: 1

Date of Addendum: 01/25/18

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Clarifications:

- I.1** Removed the Living Wage section and evaluation points redistributed on the Section 0600, see attached revised version.
- I.2** Added the Pre-Response Attendance Sign-In Sheet.
- I.3** Add the Exceptions, Exhibit A referenced in Section 0600, Tab 1, Item 7.

II. Questions:

Q1. We would like to request the following documents with respect to the RFQS:

- 9/30/17 PFC Report
 - Please email request to Controllers.Office@austintexas.gov and we will email a copy of this restricted report.
- One example of a 2017 or 2016 debt service coverage (times coverage) report
 - Please email request to Controllers.Office@austintexas.gov and we will email a copy of this restricted report.
- Management Letter from Deloitte to the City for the 2017 and 2016 audits.
 - The FY16 CAFR was presented to the Audit Finance Committee on March 29, 2017. Minutes, presented documents, and video of the meeting can be found at <https://www.austintexas.gov/department/city-council/2017/20170329-afc.htm>.
 - The FY17 CAFR is not yet complete. We anticipate the CAFR to be released in February or March.
- The latest GO Bond Official Statement.
 - All official statements can be found at https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3
- The latest Revenue Bond Official statement for an Austin Energy and an Austin Water bond issuance.
 - All official statements can be found at https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3

Q2. Does the City accept electronic invoices?

Yes, once a contract is awarded the Auditor can establish a method to email invoices to the Contract Manager rather than by mail.

Q3. Are there any outstanding federal or state agency audit issues?

No outstanding issues, the City had a few deficiencies in the single audit. If you email the Controller's Office they can send that to you. Nothing of significance was found. The FY16 Single Audit was presented to the Audit and Finance committee on August 22, 2017. Here is a link to the video: <http://www.austintexas.gov/department/city-council/2017/20170822-afc.htm>.

Q4. Can you go into detail on the bond issues, Revenue and GO, etc. and on what your financial advisors expect from Auditors?

We ask for the Auditor's consent to include your opinion in our official statements (both preliminary and final). In the past, there is a review conducted by the Contractor/Auditor of the OS in advance that allows the Auditor to provide written consent to the City which is included in the official statement.

Q5. What is the general timeframe how long does that process typically last?

We try to provide the Auditor with the most up to date drafts, so you have reviewed it at least once before we get to the final where we might need a turnaround of 2 to 5 business days. We work to advise the Auditor with as much notice as possible.

Q6. On 3.1.1.4 for new accounting standards, can you elaborate on what analysis is required by the Auditor?

We have a collaborative approach to new standards, and we share with the Auditor what we are doing, and we ask for mutual communication. We ask that the Auditor be our partner as we look at new standards.

Q7. There is nothing requiring costs to be submitted in the 0600.

Yes, that is correct. This solicitation is based on qualifications. Once the most qualified contract is selected, they will be asked to provide costs associated with the final scope of work.

Q8. What level of detail is required for the professional education submittals?

It can be general categories (governmental auditing, tax, etc.) that are provided. The City is seeking staff assigned to the contract that are experienced in governmental accounting audits. Please provide where you plan to rely on specialists to work on specialized areas such as IT, pensions, and derivatives.

Q9. On the old utility billing system, it was a challenge to locate past due accounts. On the new system are you able to pull that information easily? Does Austin Energy (AE) do account computation for all the other activities?

Yes, AE is probably the only department outside of the Controller's Office that spends a substantial amount of time with the Auditors. Much of this time is focused on utility billing and testing. AE is responsible for entries across all funds associated with the billing process, including accounts receivable and allowances.

Q10. How is the commitments and contingencies legal letters dealt with?

Regarding 3rd party litigation, the Controller's Office meets with the Law Department on a quarterly basis to review any outstanding claims/cases that have been filed. Following GAAP, we analyze those

based on the likely outcome and book accruals based on that information. The Audit team usually attends one meeting and based on that selects cases to send legal letters to an authorized representative (outside council) to confirm balances and liabilities as needed. The claims liability is carried in Austin Energy, Austin Water Utility and Airport, enterprise funds, and the Liability Reserve Fund, an internal service fund.

III. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:

Claudia Rodriguez
Claudia Rodriguez, Procurement Specialist IV
Purchasing Office, (512) 974-2959

Jan 26. 2018
Date

ACKNOWLEDGED BY:

Name

Authorized Signature

Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICITATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.

Annual Financial Reports (CAFR)	https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1
Management Letter (2016)	http://www.austintexas.gov/edims/document.cfm?id=274887
Single Audit (2016)	Controller's Office, 974-2600 or controllers.office@austintexas.gov

The proposer should refer to the 2016 CAFR for additional information on the City's reporting entity, fund structure, accounting and budgeting policies, federal and state financial assistance, component units, joint projects, etc. The 2017 CAFR will be provided to the awarded Contractor when complete. This is expected to occur in late February or early March. The City has not made any significant changes in reporting from 2016.

2.2. Fund Structure

The City reported the following funds in the CAFR issued for fiscal year ending September 30, 2016. These funds may be recorded in more detail in the City's financial system.

Fund Type	Number of Individual Funds	Number of Gov't'l. Funds with Legally Adopted Annual Budgets	Number of Major Funds
General fund	1	1	1
Special revenue funds	120	33	-
Debt service funds	2	2	-
Capital project funds	57	-	-
Permanent funds	3	-	-
Enterprise funds	7	-	3
Internal service funds	9	-	-
Private-purpose trust funds	7	-	-
Agency funds	3	-	-

2.4 Budgetary Basis of Accounting

The City does not prepare its annual operating budget on a basis consistent with Generally Accepted Accounting Principles (GAAP); rather the City budgets are based on cash and available resources (budget basis). The primary differences between GAAP-basis and budget-basis are the reporting of encumbrances, certain accruals and certain operating transfers. In governmental funds, encumbrances constitute the equivalent of expenditures for budgetary purposes. In addition, some short-term and most long-term accruals are not included for budget-basis reporting, such as accrued compensated absences. Certain items are budgeted as transfers between funds, but are recorded as revenues and expenditures/expenses for GAAP purposes.

2.5. Federal and State Awards

During 2016, the City received federal and state grant funding as identified in Exhibit E-8 and E-9 (2016 CAFR, pages 135 and 136) for Governmental operations and Exhibit I-2 and I-3 for Enterprise operations (2016 CAFR, pages 209 and 210).

2.6. Component Units

The reporting entity for the City, as defined by the Governmental Accounting Standards Board (GASB) Statements 14, 39, and 61, as reported in the CAFR for the fiscal year ended September 30, 2016, includes the following blended component units: Austin Housing Finance Corporation, Austin Industrial Development Corporation, the Mueller

Local Government Corporation, the Urban Renewal Agency, and the Austin-Bergstrom International Airport (ABIA) Development Corporation. Austin-Bergstrom Landhost Enterprises, Inc., Austin Convention Enterprises, Inc., and the Waller Creek Local Government Corporation are discretely presented component units.

The following potential component units are not included in the City's financial statements:

- City of Austin retirement plans
- City of Austin Deferred Compensation Plan
- Capital Metropolitan Transit Authority
- Austin Housing Authority

All of these entities are separate from the operating activities of the City. Related organizations are not included in the City's reporting entity. For additional discussion, please refer to the 2016 CAFR, Notes to Basic Financials Statements, Note 1-a, pages 42 – 44.

The City also participates in two energy producing arrangements as part of Austin Energy operations with the Fayette Power Project and the South Texas Project. Please refer to the 2016 CAFR, Notes to Basic Financial Statements, Note 13-a and 13-b, pages 105 and 106.

2.7. GASB Statements

As of September 30, 2016, the City has implemented GASB Statements No. 1 through No. 73, No. 76, No. 79, and No. 82.

The City is implementing the following GASB statements in 2017:

- GASB Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pensions
- GASB Statement No. 77 – Tax Abatement Disclosures
- GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Plans
- GASB Statement No. 80 – Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14

The City will implement the following GASB statements in future years (year of implementation in parenthesis):

- GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (2018)
- GASB Statement No. 81 - Irrevocable Split-Interest Agreements (2018)
- GASB Statement No. 83 – Certain Asset Retirement Obligations (2019)
- GASB Statement No. 84 – Fiduciary Activities (2020)
- GASB Statement No. 85 – Omnibus 2017 (2018)
- GASB Statement No. 86 – Certain Debt Extinguishments (2018)
- GASB Statement No. 87 – Leases (2021)

2.8. Accounting Records

The Controller's Office maintains the accounting records of the City with offices located at 124 W. 8th St., Austin, Texas (Municipal Building).

Although maintenance of the accounting records is centralized with the Controller's Office, the City's accounting function is highly decentralized. Each City department has the authority to initiate and submit all input documents (e.g. reports of cash receipts, authorization and requests for cash disbursements, journal entries) for processing by various offices within the Financial Services service group. Departments perform the initial data input for most purchasing transactions, payment transactions, and journal vouchers – all of which require central department review and approvals; departments also input and finalize cash receipt transactions and most purchasing transactions less than \$5,000. Payment transactions must be approved centrally before checks are issued, with the following exceptions: checks issued for utility billing system refunds, and energy conservation rebate checks.

2.8.1. Organization of the Controller's Office

The City's accounting function falls within the Financial Services service group. The Controller, who reports directly to the Chief Financial Officer, is responsible for all financial accounting and reporting activities of the City. The Controller has overall responsibility for the Controller's Office. There are several people who report to the Controller: three Deputy Controllers and the IT Division Manager. The three Deputy Controllers who report to the Controller have overall responsibility for certain sections of the Controller's Office operations. See **Exhibit B** for section names and applicable managers of the Controller's Office.

2.8.2. Office of the City Auditor

The City has maintained an audit function for over three decades. This independent audit function reports to the Mayor and Council. Much of the focus of the Office of the City Auditor is performing audits and investigative services that foster accountability, transparency, and continuous improvement in Austin city government. The Office of the City Auditor does not budget hours for the City's external audit as support of the internal auditor is not a part of the office's mandate. Copies of the reports published by the office can be found at:

<http://austintexas.gov/page/audit-reports>

2.9. Software Applications and Environments

The City uses the off-the-shelf financial application CGI Advantage 3 (ADV3) produced by CGI, Inc. The application was originally implemented on October 1, 1989 and the City has applied many system upgrades since the original implementation, with typical upgrades occurring every three years. ADV3 is a City-wide integrated accounting and financial reporting system. It provides for fund accounting, encumbrance accounting, budgetary development and control, accounts payable processing, accounts receivable processing, task order processing, inventory management and web-based reporting.

2.9.1. Financial Systems

The City has CGI Advantage subsystems that are integrated with the core ADV3 system. Transactions in these systems are processed along with other financial transactions as part of the online ADV3 application.

The subsystems are:

- Budgeting
- Inventory
- Purchasing
- Task Order
- Fixed Assets

The City is in the process of implementing the Debt subsystem which is expected to go live in 2018.

2.9.1.1. Automated Interfaces to ADV3

The following subsystems have automated interfaces to ADV3. These subsystems and the frequency of interface are as follows:

Payroll	Biweekly
Indirect cost	Weekly
Austin Energy Customer Care & Billing (CC&B) cash & revenue	Daily
Austin Energy CC&B refunds	Daily
Austin Energy inventory - PowerPlan	Weekly
Austin Energy purchasing card	Monthly
City-wide procurement card	Weekly
Inventory bar code (Austin Water)	Daily
Fleet and fuel charges	Monthly
Radio communications	Monthly

2.9.1.2. Other Subsystems

Other subsystems require a manual interface through journal entry.

2.9.1.3. Fixed Asset Systems

The City utilizes the CGI Advantage Fixed Assets Subsystem which operates on the same principle as ADV3.

Austin Energy utilizes PowerPlan and Maximo to manage its fixed assets.

2.9.1.4. Information Technology Environment

The environment for ADV3 uses an n-tier architecture. The hardware consists of IBM pSeries enterprise servers utilizing the AIX 7.1 operating system. Storage is accomplished with Dell/EMC and NetApp storage array networks. The application is Java J2EE and is hosted in the Websphere 8.5 environment, using an Apache/IBM webserver to handle requests to the application. There are separate logical partitions (LPARS) allocated for the webserver, application and database tiers on the IBM pSeries servers. The database is Oracle version 12.1.

Transactions in the system are document based. The system utilizes workflow and approvals for documenting authorization for actions taken in the application.

The City also utilizes MicroFocus COBOL to create financial reports.

2.9.2 Payroll/Human Resource Management System

The City uses Banner Human Resource Management System (Banner), by Congruent. Time entry is performed remotely by departmental timekeepers. Controller's Office employees process the time entry data during the bi-weekly payroll run. The Controller's Office maintains a dedicated programming staff supporting the Banner application. The Human Resources Department establishes application rules and performs table updates.

Banner is based on an internet native technology consisting of a database server and application server. The computer environment for the Banner database server and

application server consist of an IBM pSeries with an AIX 6.1 operating system. The data is stored in an Oracle 11.2 Enterprise Edition relational database management system (RDBMS).

Banner provides for applicant tracking, biographic and demographic information, employment administration, compensation administration, employee relations administration, health and safety administration, benefits/deduction administration, position management, personnel service budgeting, time entry and payroll processing, payroll history, tax administration, check reconciliation, electronic approvals and event management.

The City is evaluating the current Payroll/Human Resource System and anticipates that the current system may be either significantly modified or replaced within the CAFR/Single Audit contract term.

The City is in the early stages of implementing an electronic workforce management system for time management, leave scheduling and labor scheduling. Citywide implementation is planned to occur in fiscal year 2019.

2.9.3. Customer Information System (CIS)

The City implemented a customer information and utility billing system (CC&B) in October 2011. The City contracts for the production, printing, and mailing of utility bills using an Application Service Provider (ASP) model. All of the City's utilities are included on these bills including electric, water, wastewater, solid waste, drainage fee, and transportation user fee. Austin Energy is responsible for managing the City's contract. In addition to bill production, CC&B is used for service orders, utility contracts, credit and collections, meter inventory, usage history, rate assignment, account management and accounts receivable. CC&B is interfaced with other systems including those for meter reading, work management, remittance processing, collection services and the City's financial system (ADV3). The CC&B solution resides at an offsite data center, with redundancy at an alternate location. After bills are calculated and audited, a custom data print stream is sent to Nebraska for printing, stuffing and mailing.

The City receives an annual SSAE 16 SOC 1 and SOC 2 audits from the application service provider.

3. TASKS/AUDITOR REQUIREMENTS

The Auditor's assigned work is divided into four areas of services as described below. Auditor shall provide all labor, materials, and supervision necessary to perform the four categories of services. The requirements stated in this section are not all inclusive of the full scope of work that will be negotiated as a part of the final and resulting contract.

3.1. Audit of Comprehensive Annual Financial Report (CAFR)

Commencing with fiscal year ending September 30, 2018, Auditor will conduct five (5) consecutive financial audits of the City's external financial statements. This service will be performed in accordance with the generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to financial statement audits contained in the Government Auditing Standards issued by the Comptroller General of the United States.

- 3.1.1.** The City desires the auditor to express an opinion on the fair presentation of its Basic Financial Statement (BFS) in conformity with GAAP. The auditor is not required to audit the combining and individual fund financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" opinion

on the combining and individual fund financial statements and supporting schedules based on auditing procedures applied during the audit of BFS. The auditor is not required to audit the Management's Discussion and Analysis (MD&A) or required supplementary information. The auditor is expected, however, to apply certain limited procedures to evaluate the methods of the measurement and presentation of such required supplementary information. The auditor is not required to audit the statistical section of the report. The opinion must be signed no later than 180 days after the end of the fiscal year to meet bond requirements. The City desires to issue the report no later than the last day of February following the fiscal year end.

3.1.1.1. The auditor shall provide special assistance to the City to meet the requirements of the Government Finance Officers Association (GFOA) Certificate Program. The Auditor will advise the City Controller in preparing and compiling the CAFR in accordance with Governmental Accounting and Financial Reporting Standards published and issued by the Governmental Accounting Standards Board (GASB) and all eligibility requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

3.1.1.2. The Auditor shall make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the following parties:
City Auditor;
Chief Financial Officer; and,
Audit and Finance Committee.

3.1.1.3. The auditor shall prepare a "management letter" if a reportable condition is identified. The letter shall communicate to the City Manager and the members of the City's Audit and Finance Committee any reportable conditions (i.e. significant deficiency or material weakness). The letter shall contain the responses from the responsible City Department Heads. Prior to issuance, the auditor shall review the proposed draft letter in its entirety with the Controller. Subsequent to issuance, the auditor shall review the final letter with the Mayor and City Council if requested to do so. The management letter shall be issued annually at the conclusion of the audit. The presentation to the Audit Committee, which includes the management letter with any reportable conditions, must occur within 60 days of the issuance of the CAFR to meet the City's financial policies.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies or material weaknesses found during the audit.

In addition to the reports discussed within the RFP that are currently required by State and Federal grantors and by regulatory bodies such as the AICPA, GASB, GFOA, and others, the auditor shall likewise issue any other reports subsequently required by these or similar entities following completion of the financial or single audit.

3.1.1.4. Furnish services and materials necessary for the performance of a review of the City's planning, preparation and implementation of GASB pronouncements.

- 3.1.1.5.** The auditor shall present its opinion and any other required communications to the Audit and Finance Committee at a scheduled meeting no more than 60 days after the issuance of the CAFR in accordance with City Financial Policies.

3.2. Single Audits of Federal and State Financial Assistance Programs

In conjunction with the CAFR financial audit, the Auditor shall perform financial and compliance audits of Federal Financial Assistance Programs and Passenger Facility Charges in accordance with the Single Audit Act of 1996, as amended, Office of Management and Budget (OMB) Circulars and any amendments or supplements thereto. The Auditor shall also perform auditing procedures on the City's state programs in accordance with the provisions of the State of Texas Uniform Grant Management Standards and the State of Texas Single Audit Circular. Successor publications will also apply.

- 3.2.1** Reports on fraud, abuse, or illegal acts or indication of such acts, including all questioned costs found as the result of these acts, information of which should be covered in a separate written report and transmitted immediately to the appropriate department or agency, the Controller, and any other agency or individual which should receive a report under current professional standards.

3.3. Bond Issuances

3.3.1. General Obligation Bonds

General obligation bond issuances for current projects usually occurs once a year (one taxable bonds and one non-taxable). The City may also issue general obligation refunding bonds during the year, depending on the market conditions.

3.3.2. Utility Bonds

Major capital improvements and additions to the City's utility systems are financed with revenue bonds or commercial paper that is periodically refunded by revenue bonds.

- 3.3.2.1** Certain Utility Bond issuances require an Agreed Upon Procedure related to a times coverage calculation.

3.3.3. Other Bonds

As needs arise, the City may issue revenue bonds for the Airport or Convention Center, or may issue revenue refunding bonds, depending on the market conditions. In addition, the City is involved in and reviews official statements for contract revenue bond sales of Municipal Utility Districts and special assessment bond sales for Public Improvement Districts.

3.4 TCEQ

Auditor shall perform agreed-upon procedures services related to the Texas Commission for Environmental Quality (TCEQ) or its successors to assist the City in its evaluation of its compliance with the local financial test requirements under Texas Administrative Code Title 30 Chapter 37 Rule 37.271. The specific procedures to be performed will be agreed upon by the City and TCEQ.

Delloritte

5. Section 0900-Subcontracting/Sub-Consulting Utilization Form

MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE) PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES

SOLICITATION TITLE: RFQS 7400-CRR0306

In accordance with the City of Austin's Minority and Women-Owned Business Enterprises (M/WBE) Procurement Program (Program), Chapters 2-9A/B/C/D of the City Code and M/WBE Program Rules, this Solicitation was reviewed by the Small and Minority Business Resources Department (SMBR) to determine if M/WBE Subcontractor/Sub-Consultant ("Subcontractor") Goals could be applied. Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. However, Offerors who choose to use Subcontractors must comply with the City's M/WBE Procurement Program as described below. Additionally, if the Contractor seeks to add Subcontractors after the Contract is awarded, the Program requirements shall apply to any Contract(s) resulting from this Solicitation.

Instructions:

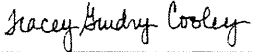
- a.) Offerors who do not intend to use Subcontractors shall check the "NO" box and follow the corresponding instructions.
b.) Offerors who intend to use Subcontractors shall check the applicable "YES" box and follow the instructions. **Offers that do not include the following required documents shall be deemed non-compliant or nonresponsive as applicable, and the Offeror's submission may not be considered for award.**

☐ **NO, I DO NOT intend to use Subcontractors/Sub-consultants.**

Instructions: Offerors that do not intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form) and include it with their sealed Offer.

☒ **YES, I DO intend to use Subcontractors /Sub-consultants.**

Instructions: Offerors that do intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form), and follow the additional Instructions in the (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan). Contact SMBR if there are any questions about submitting these forms.

Offeror Information			
Company Name	Montemayor Britton Bender PC		
City Vendor ID Code	MON8308161		
Physical Address	2525 Wallingwood Drive, Building 1, Suite 200		
City, State Zip	Austin, Texas 78746		
Phone Number	+1 512 422 7926	Email Address	a@montemayor.team
Is the Offeror City of Austin M/WBE certified?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES Indicate one: <input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture		
<p>Offeror Certification: I understand that even though SMBR did not assign subcontract goals to this Solicitation, I will comply with the City's M/WBE Procurement Program if I intend to include Subcontractors in my Offer. I further agree that this completed Subcontracting/Sub-Consulting Utilization Form, and if applicable my completed Subcontracting/Sub-Consulting Utilization Plan, shall become a part of any Contract I may be awarded as the result of this Solicitation. Further, if I am awarded a Contract and I am not using Subcontractor(s) but later intend to add Subcontractor(s), before the Subcontractor(s) is hired or begins work, I will comply with the City's M/WBE Procurement Program and submit the Request For Change form to add any Subcontractor(s) to the Project Manager or the Contract Manager for prior authorization by the City and perform Good Faith Efforts (GFE), if applicable. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form.</p>			
Tracey Guidry Cooley, Lead Client Service and Audit Managing Director		 February 6, 2018	
Name and Title of Authorized Representative (Print or Type)		Signature/Date	

6. Section 0905-Subcontracting/Sub-Consulting Utilization Plan-if applicable

MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE) PROCUREMENT PROGRAM Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES
SOLICITATION TITLE: RFQS 7400-CRR0306

INSTRUCTIONS: Offerors who DO intend to use Subcontractors may utilize M/WBE Subcontractor(s) or perform Good Faith efforts when retaining Non-certified Subcontractor(s). Offerors must determine which type of Subcontractor(s) they are anticipating to use (CERTIFIED OR NON-CERTIFIED), check the box of their applicable decision, and comply with the additional instructions associated with that particular selection.

- ☒ I intend to use City of Austin CERTIFIED M/WBE Subcontractor/Sub-consultant(s).

Instructions: Offerors may use Subcontractor(s) that ARE City of Austin certified M/WBE firms. Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to confirm if the Offeror's intended Subcontractor(s) are City of Austin certified M/WBE and if these firm(s) are certified to provide the goods and services the Offeror intends to subcontract. If the Offeror's Subcontractor(s) are current valid certified City of Austin M/WBE firms, the Offeror shall insert the name(s) of their Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)

- ☐ I intend to use NON-CERTIFIED Subcontractor/Sub-Consultant(s) after performing Good Faith Efforts.

Instructions: Offerors may use Subcontractors that ARE NOT City of Austin certified M/WBE firms ONLY after Offerors have first demonstrated Good Faith Efforts to provide subcontracting opportunities to City of Austin M/WBE firms.

STEP ONE: Contact SMBR for an availability list for the scope(s) of work you wish to subcontract;

STEP TWO: Perform Good Faith Efforts (Check List provided below);

STEP THREE: Offerors shall insert the name(s) of their certified or non-certified Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)
- All required documentation demonstrating the Offeror's performance of Good Faith Efforts (see Check List below)

GOOD FAITH EFFORTS CHECK LIST –

When using NON-CERTIFIED Subcontractor/Sub-consultants(s), **ALL** of the following CHECK BOXES **MUST** be completed in order to meet and comply with the Good Faith Effort requirements and all documentation must be included in your sealed Offer. Documentation CANNOT be added or changed after submission of the bid.

- ☐ **Contact SMBR.** Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to obtain a list of City of Austin certified M/WBE firms that are certified to provide the goods and services the Offeror intends to subcontract out. (Availability List). Offerors shall document their contact(s) with SMBR in the "SMBR Contact Information" table on the following page.

- ☐ **Contact M/WBE firms.** Offerors shall contact all of the M/WBE firms on the Availability List with a Significant Local Business Presence which is the Austin Metropolitan Statistical Area, to provide information on the proposed goods and services proposed to be subcontracted and give the Subcontractor the opportunity to respond on their interest to bid on the proposed scope of work. When making the contacts, Offerors shall use at least two (2) of the following communication methods: email, fax, US mail or phone. Offerors shall give the contacted M/WBE firms at least seven days to respond with their interest. Offerors shall document all evidence of their contact(s) including: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.



Continued advice—with fresh perspectives | Tab 1. City Required Documents

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM**

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES

SOLICITATION TITLE: RFQS 7400-CRR0306

- ☐ **Follow up with responding M/WBE firms.** Offeror shall follow up with all M/WBE firms that respond to the Offeror's request. Offerors shall provide written evidence of their contact(s): emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.
- ☐ **Advertise.** Offerors shall place an advertisement of the subcontracting opportunity in a local publication (i.e. newspaper, minority or women organizations, or electronic/social media). Offerors shall include a copy of their advertisement, including the name of the local publication and the date the advertisement was published.
- ☐ **Use a Community Organization.** Offerors shall solicit the services of a community organization(s); minority persons/women contractors'/trade group(s); local, state, and federal minority persons/women business assistance office(s); and other organizations to help solicit M/WBE firms. Offerors shall provide written evidence of their Proof of contact(s) include: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, organization contacted, phone number, email address and contact person.



Continued advice—with fresh perspectives | Tab 1. City Required Documents

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: CAFR AND SINGLE AUDIT SERVICES
SOLICITATION TITLE: RFQS 7400-CRR0306

(Offerors may duplicate this page to add additional Subcontractors as needed)

Subcontractor/Sub-consultant	
City of Austin Certified	<input checked="" type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <u>H</u> <input type="checkbox"/> NON-CERTIFIED
Vendor ID Code	MON8308161 <input checked="" type="checkbox"/>
Contact Person	Arturo (Archie) Montemayor III Phone Number: +1 512 422 7926
Additional Contact Info	Fax Number: E-mail: a@montemayor.team
Amount of Subcontract	\$ TBD
List commodity codes & description of services	Auditing services
Justification for not utilizing a certified MBE/WBE	Not applicable

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

SMBR Contact Information			
SMBR Contact Name	Contact Date	Means of Contact	Reason for Contact
Arturo (Archie) Montemayor III	January 28, 2018	<input type="checkbox"/> Phone OR <input checked="" type="checkbox"/> Email	To continue serving the City as our HUB subcontractor

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the Offeror ☒ HAS or ☐ HAS NOT complied with these instructions and City Code Chapters 2-9A/B/C/D, as amended.

Carille

3/12/18

Reviewing Counselor

Date

I have reviewed the completing the Subcontracting/Sub-Consultant Utilization Plan and ☒ Concur ☐ Do Not Concur with the Reviewing Counselor's recommendation.

[Signature]

3/13/18

Director/Assistant Director or Designee

Date

